The Committee will meet once again to review

U.S. policy toward North Korea. This is the fifth hearing on

the Democratic People’s Republic of Korea, the DPRK, in the last

18 months held by our Full Committee on International Relations.

Today’s hearing will focus on the status and the prospects for our

policy toward North Korea in the aftermath of Dr. Bill Perry’s report

to the Congress last October. We are pleased to have gathered

a distinguished group of witnesses to discuss this very important

national security issue.

Regrettably, our concern about North Korea and our policy still

remains unabated. Let me discuss why we feel that way. The CIA

reported in Congressional testimony last month that North Korea

is continuing to develop the Taepo Dong II—an intercontinental

ballistic missile—despite a test moratorium, and could launch that

missile this year should it decide to do so.

The intelligence community, CIA, further states that a threestage

Taepo Dong II would be capable of delivering a several-hundred

kilogram payload anywhere in the United States. The CIA has

also concluded that the DPRK is the world’s major supplier of ballistic

missiles and technology, primarily to South Asia and to the

Middle East. Their transfers to Pakistan, Iran, Syria, and Libya

pose a significant threat to our national interest, to our American

forces, and to our allies.

It has also been alleged that North Korea may be pursuing a

uranium-based nuclear weapons program while the cost of heavy

fuel for the 1994 Agreed Framework is likely to top $100 million

this year. There is a continuing concern about being able to get the

IAEA into North Korea to conduct its assessment of their nuclear

program, as well as finding willing underwriters for the nuclear reactor

project.

In recent testimony, the Commander of U.S. Forces of Korea

called North Korea ‘‘the major threat to stability and security in

Northeast Asia, and the country most likely to involve our Nation

in a large-scale war.’’

General Schwartz further stated that North Korea’s goal is to

unify the peninsula by force. American military dependents, Em-

bassy staff, and their families in Seoul were recently issued 14,000

gas masks because of the North Korean chemical weapons threat.

According to our Commander in Chief of the Pacific, North Korea

conducted its largest conventional force exercise in years this past

winter. Admiral Blair went on to say that North Korea continues

to divert a disproportionate share of their meager national wealth

to their military programs.

The DPRK recently declared the nullification of the Northern

Limit Line, where they fought a sea battle with South Korea last

summer, and Pyongyang bought 40 Mig–21 fighter jets from

Kazakhstan for some $8 million.

Recently, the Japanese police seized 250 kilograms of amphetamines

believed to have originated in North Korea. That seizure,

with an alleged street value of 15 billion yen, or $139 million, was

the fifth largest single haul of illegal drugs ever seized in Japan.

Confronted with impossible access to the most vulnerable groups

of North Korean citizens, the French NGO, Action Against Hunger,

withdrew from North Korea after 2 years. Their press release stated,

‘‘We are convinced that the international aid flowing into North

Korea is not reaching the people most in need, and that thousands

of people continue to die despite the massive food aid provided to

that government.’’ In their press conference announcing their decision,

the French group said that international food aid is undoubtedly

being diverted to the military and to the civil servants.

The Director of Central Intelligence said that instead of pursuing

real reform, North Korea’s strategy is to garner as much aid as

possible from overseas, and has directed its global diplomacy to

that end. This means more people will needlessly starve as

Pyongyang chooses ideology over reform.

Our State Department is considering removing North Korea from

the list of state sponsors of terrorism despite the fact that North

Korea abducted Japanese citizens for use in their intelligence apparatus,

continues to harbor Red Army hijackers, and is reportedly

involved in political assassinations abroad. DPRK agents recently

may have also kidnapped a South Korean clergyman working in

China near the border.

The DPRK continues to severely oppress its citizens, and the

international community has not spoken out forcefully enough

about the day-to-day horrors of the North Korean gulag. In a highly

celebrated case, several North Korean defectors were forcibly repatriated

from China to a certain death.

Diplomatically, North Korea is willing to talk with anyone but

South Korea. They talk with Rome, Canberra, and Tokyo, but not

with Seoul. Despite numerous overtures toward Pyongyang, Seoul

is rebuffed time and time again.

Furthermore, it was reported this morning that talks in New

York over a visit to the United States by a high-level North Korean

official have broken off without any agreement. This visit was first

proposed by Dr. Perry almost a year ago. These recent developments

are hardly encouraging.

As the North Korea Advisory Group pointed out in its report last

October, before all of this took place, the threat to the United

States and global interests of North Korea continues to grow, despite

almost 6 years of engagement and close to $1 billion in aid.

It is clear that the challenges presented by North Korea are significant,

and managing the threat is a tremendous policy undertaking.

We look forward to today’s testimony on how we plan to

deal with the ever-widening and deepening threat presented by the

DPRK to our own interests.

We want to thank our good Ambassador Sherman for being with

us today.

Allow me to yield time to Mr. Gejdenson, our Ranking Minority

Member.

[The prepared statement of Chairman Gilman appears in the appendix.]

Mr. Bereuter.

Thank you very much.

With that, I would like to welcome our first panelist, Ambassador

Wendy Sherman. It is a pleasure to welcome you back to our Committee

as one of the State Department’s leading policymakers on

North Korea.

Wendy Sherman was confirmed by the United States as Counselor,

Department of State, with the rank of Ambassador, for the

tenure of her service in July 1997. Prior to assuming that position,

from April 1996 to 1997, Ambassador Sherman was President and

CEO of the Fannie Mae Foundation.

From 1993 to 1996, Ambassador Sherman served as Assistant

Secretary for Legislative Affairs in the Department of State. From

1991 to 1993, Ambassador Sherman specialized in strategic communications

as a partner in the political and media consulting firm

of Doak, Shrum, Harris, and Sherman. Prior to that, she directed

EMILY’S LIST.

We thank Ambassador Sherman for being with us once again.

You may feel free to summarize your remarks and submit your entire

statement for the record. We have asked our Members to withhold

their questions until your testimony is complete.

Ambassador Sherman, please proceed.

Thank you.

I like that.

Thank you, Ambassador Sherman, for your

extensive statement. We want to thank both you and Dr. Perry for

your good work in trying to find a peaceful solution to the problems

in North Korea.

Ambassador Sherman, it was reported this morning that the

talks on a high-level visit by senior North Korean officials to Washington

have broken down. This seemed to be a critical milestone in

the Perry process. Can you tell us why those talks failed? How does

that delay your intentions to begin missile and nuclear talks with

North Korea? How does that affect your desire to get North Korea

to sign a written agreement to halt missile testing?

Has a new date been set for further discussion?

Ambassador Sherman, why did the President

not certify that North Korea has not diverted assistance provided

by our Nation for purposes for which it was not intended, or that

North Korea is not seeking to develop or acquire the capability to

enrich uranium or any additional capability to reprocess spent nuclear

fuel?

Thank you, Madam Ambassador. What were

the results of the recent talks in New York? Why is our Nation now

considering removing North Korea from the terrorism list? What

objectives did you actually achieve? What criteria does our Nation

have for removing North Korea from the terrorism list?

How will we be dealing with the Japanese kidnappings, the Red

Army hijackers, the incursions into South Korea and Japan, and

politically motivated assassinations and kidnapping, such as the recent

one of a South Korean clergyman?

Thank you very much, Madam Ambassador.

Mr. Gejdenson.

Mr. Bereuter.

Without objection.

Thank you, Mr. Bereuter.

Mr. Royce.

The gentleman’s time has expired.

Dr. Cooksey.

The gentleman’s time has expired.

Ambassador Sherman, one last request. If I

heard you correctly, you said you were quite pleased with the results

of your New York talks. I am concerned about the New York

talks, the fact that North Korea has rebuffed us once again on

scheduling a high-level visit, and the fact that North Korea has

rebuffed us once again in providing a written assurance on the ban

on missile tests, and the fact that North Korea has once again

rebuffed us on agreeing to the specific agenda for the follow-on missile

and nuclear talks, which should be part of a joint communique

of the recent visit.

So tell us a little bit, what made you so pleased with all of that?

Mr. Bereuter.

Thank you, Mr. Bereuter.

The Committee stands in recess until the vote is completed. We

will continue very shortly.

I don’t think there is any need for you to

stay.

Thank you.