Thank you, Dr. Cooksey. It is a pleasure to be here

to present the views, and I will submit a small statement for the

record.

Current U.S. policy toward North Korea remains a distasteful exercise

in dealing with an obnoxious and threatening regime. With

little to no consultation with the Congress, the Administration

reached the Agreed Framework with North Korea in 1994.

Since then, the Congress has been forced to choose between overturning

a major international undertaking by the U.S. Government,

which in principle would be a harmful act to U.S. interests,

and appropriating taxpayer money every year for use by a despicable

elite in Pyongyang. This is not a welcome choice, as you

well know.

You and your colleagues have tried to steer a course between

these alternatives and have succeeded to a limited extent in conditioning

and monitoring the flow of food and heavy fuel oil to North

Korea. You have also succeeded in pressing the Administration to

organize a more comprehensive effort under the original direction

of former Defense Secretary Perry, and now under Ambassador

Sherman.

How successful has this approach been? In the short term, it appears

to be a mixed result. The most likely source of full-scale plutonium

production in the Yongbyon facility has ceased operations,

though not yet been dismantled or intrusively inspected. The North

has also momentarily ceased testing long-range missiles with a

hint of willingness to enter into a more formal moratorium.

In the longer term, however, we will not know probably for at

least 4 years whether the North has found another way to produce

nuclear weapons at sites away from Yongbyon. It stretches the

mind to imagine that a key element of the Agreed Framework—

satisfactory special inspections by the IAEA—will ever be intrusive

enough in a secretive society like North Korea.

To meet a high standard of investigation 8 months to 2 years of

inspections are likely to be required. It will be an important question

during that period whether the North will bend to the international

community in order to get the critical components necessary

for the light water reactors under construction, or the international

community, led by the United States, will bend its standards

to keep Pyongyang cooperative.

Before turning to the outlook for the future, I would like to note

that I have great respect for the hard work and many frustrations

of the civil servants who have had to work this wet of problems

with North Korea. I was one of them myself in the Bush Administration.

They have labored under policy constraints in the new Administration

that leave few options, and all are suboptimal.

When the Agreed Framework was adopted, the choices before the

Administration were framed as either war or cooperation with

Pyongyang. The absence of major conflict since then, despite repeated

skirmishes, is, of course, an accomplishment for which the

architects of the Framework claim credit. However, war has been

avoided on the Korean Peninsula since 1953 through effective deterrence.

The cessation of long-range missile tests and the arrest

of the Yongbyon nuclear facility are two other outcomes of the

Agreed Framework. But as I have noted in my statement, these are

qualified successes.

The problem for the Congress and the next Administration is

that the Agreed Framework and Secretary Perry’s efforts have effectively

postponed the ultimate confrontations with North Korea

over nuclear weapons and missiles, and they have yet to address

the fundamentally more serious problem of conventional arms on

the peninsula.

As Admiral Blair noted in his testimony here 2 weeks ago, despite

years of poor economic performance and large-scale international

food aid, Pyongyang surprised observers with the largest

winter military exercise in nearly a decade.

Alliance requirements have also limited the room for the U.S.

maneuver. The election of President Kim Dae Jong, with his strong

commitment to win over or undermine North Korea through blandishments

and economic assistance, has made it more difficult for

any Administration to take a hard line with the North. There may

be some room, however, for a ‘‘bad cop, good cop’’ approach to

Pyongyang, with the U.S. playing a heavier role to the more pacifying

role of Seoul.

The preconditions already exist in the different emphasis Seoul

and Washington—that these two capitals give to weapons of mass

destruction, Seoul playing this issue down much more than the

U.S. plays it up.

Going forward, the next Administration and Congress will need

to rig for heavy weather. Sometime in the first year and a half of

the next term, the IAEA will have to inspect at a level of intrusiveness

that would be difficult in, say, Sweden, let alone North Korea.

The Iraqi experience is a daunting premonition of the North Korean

situation. The level of political support for President Kim Dae

Jong’s approach to the North also appears to be diminishing in

South Korea as the economy there returns to health and the dividends

of his Sunshine Policy remain lean.

The next Administration should expect to be tested in a confrontation

engineered by the North, as President Clinton and South

Korean President Kim Young Sam were in 1993, with Pyongyang’s

threat to leave the Non-Proliferation Treaty. Here I will interject

that this political component to the behavior of North Korea, which

is very often missing from analysis and debate—they watch our

election cycle much more closely than they are perceived to do.

They have timed their challenges to leaders when they are new

in office and are unsure of themselves. This happened in 1993, and

President Kim of Korea and President Clinton of the United States

responded, in my view, against the previous Administration’s background

fairly weakly.

In 1994, when the tensions were rising, they signed the Agreed

Framework on the eve of the Congressional elections, perhaps believing

in their own minds, if not in the minds of the White House,

that this would somehow be a time to strike a deal when the Administration

was looking for victory.

I believe that they are choosing the present time, the May visit

by a senior leader, to come and test the political environment in

the United States and see whether the Administration is going to

be hungrier for a deal when it is up against a political opponent

in our own domestic contests.

I fully expect Pyongyang to try to sweeten the deal or reduce its

cost by confronting the U.S. and Korean leaderships again with a

choice between confrontation or cooperation or classic appeasement.

It will be up to the new team to fashion an alternative to these

choices if we are to resolve our concerns about Pyongyang’s nuclear,

missile, and conventional weapon threats.

Thank you.

[The prepared statement of Mr. Paal appears in the appendix.]

There are three choices I believe that the U.S. Government

has as broad categories for dealing with North Korea. One is

a real confrontation. We go to the United Nations, we try to get

votes against them, we try to isolate them. That was the choice

that was put up before the President in 1993 and 1994. Another

option is to work out some kind of cooperative arrangement with

all of the agonizing that goes along with it, which Ambassador

Sherman and her team have had to go through.

I have always felt that there is a third option, which is simply

to turn a cold shoulder to the North on a political level, but to give

them opportunities to go into the international economic community.

If they want to buy things, if they want to sell things, they

are welcome to do it. We could lift our sanctions on North Korea,

except for things such as military items, and transfer to the North,

and then say, ‘‘Here is our phone number. If you want to do business,

come to us.’’

Instead, we find ourselves chasing after them and proceeding to

build a process-driven approach to North Korea, which yields extremely

small dividends at an extremely slow pace, which is something

that is easier for them to do because they don’t operate in

the democratic political environment where representatives, such

as yourself, have to go to the taxpayers and ask for money for a

despicable regime’s small lifting of its little pinky when it takes

from us.

I would distinguish between the tougher word and the

coercive word. I think we have put ourselves at risk of many equi-

ties in East Asia if we go on a coercive, aggressive campaign

against North Korea. Deterrence has worked for almost 50 years

at keeping them from doing large-scale operations that would destabilize

Northeast Asia. Deterrence is being maintained fairly effectively

now by our Armed Forces and the overall structure of our

national defense strategy.

Going after them encourages the process of blackmail in the

sense of trying to win them over, get them to come to meetings. We

have spent a lot on food aid, and this has been very well documented.

We have claimed humanitarian principles for the food, but

it always tied to a meeting or an element of the process of making

them look like they are being more cooperative.

This has become very obvious to North Korea. They don’t go to

meetings unless they are going to be paid off. Then you are told

this is a humanitarian act; it has nothing to do with the process.

I think we can get somewhere between the confrontational and

aggressive approach and the one where they are setting the terms

and driving us along. That is where we say, ‘‘Here is what we need.

Here is our phone number. Meanwhile, you are going to confront

a world that is pretty cold and unfriendly. Unless you change to

meet the terms of that world, we are not going to send you the aid

to save yourself.’’

Food aid is an interesting proposition. As you probably know

from previous testimony, North Korea cannot feed itself. It sits on

a slab of granite. It can’t feed 20 million people in that climate on

that soil.

That is right. They have to sell things or threaten us

to give them food. We want to get them into the position of selling

things, and to do that they have got to get into the international

marketplace. You know all of the complexities and the burdens on

societies to change and modernize and to adapt international

standards.

That is the path we want them to go on, and I think doling out

assistance is just—it implies a kind of blessing of the system as it

is, or at least it incurs the risk of some day discovering who you

were feeding who was oppressing somebody that was not getting

fed, when the records become clear. Or it implies an assumption

that the regime is going to fall.

We can no longer make the easy assumption the regime is going

to fall that was made in the early 1990’s. They have proved that

they can stand up, so we have to make an adjustment in the way

we approach it.

Now, as I said in my prepared statement, we are also coming up

to deadlines under the Agreed Framework which are going to force

us either to be straight about what we really need from North

Korea or change that and lead them to believe they can get a special

standard and get by again.

I think we clearly prop up the regime with the food

assistance. We are not the major contributors to that. China is the

most important contributor. I think that a new policy toward North

Korea would have as an important component a much more aggressive

attempt to get the Chinese to take responsibility for the misbehavior

of North Korea and to do more about correcting that behavior.

Ambassador Sherman gave a long list today of all of the good

things China is doing. However, those are all our assumptions

about China’s behavior. The Chinese have not demonstrated it, and

they have tried to stay out of the spotlight for a variety of reasons.

We have certain common interests with China right now, but it

is not long-term an abiding common interest. We separate very

quickly when you go down the list of our respective interests in

North Korea. I think we ought to be—at the same time we try to

construct a more stable relationship with China, we use that stable

relationship to get them to do more to help us achieve our objectives

in North Korea.

That is an overstatement, but that is the—you get the

general point.

In the 1950’s and the early 1960’s, they were considered

the most successful example of a socialist society. Their productivity

had been propped up by barter arrangements with the

Communist Community of States, and they just fell behind. Their

belligerence goes back to the very beginning, and it has something

to do with the system that is in power in North Korea.

You have got 600,000 people in a nomenclature controlling the

other 21 million. That system is more what dictates the attitude of

the regime, I believe, than the physical conditions on the peninsula.

The physical conditions are not much different in South

Korea, and we have a very different kind of country in South

Korea.

I don’t see them doing that. In fact, they have an unusually

good circumstance. As the Rumsfeld Commission showed,

you don’t have to test missiles to have them. You can do a lot of

tabletop testing. You can also sell a few. It reduces the price at

which you can sell them, because people are not as confident they

are going to get the bang for the buck. But if you can’t get them

anywhere else, you have still got your market.

So, North Korea, even with the moratorium informal or formalized,

is still in a position to continue to market these missiles.

They don’t have an election cycle and we do, and it

makes a big difference. It makes a big difference.

That is right. It makes a real big difference in how

they can approach these issues. Also, they have—they see negotiators

come and go. It is not just the election cycle. Our cycle

doesn’t fit neatly over the Japanese and South Korean cycles either.

They have a strong incentive to play us off against each other

and pick and choose the times when they want to move.

I cannot prove the following statement, but I believe

it. I think some day we can prove it. That is I think China, in

pressing North Korea to stop making life worse for China, by testing

missiles that are leading to the theater missile defense in

Northeast Asia, probably gave some pretty good tradeoffs to North

Korea in terms of assistance on their missile program.

This is so deeply embedded in the secrecy of the relations between

those regimes, and so undetectable by the relevant intelligence

means, that I clearly can’t prove that at this point. But it

is in the nature of the way they deal, that this is likely to be the

case, in my personal view.

It is difficult to untangle their motive. They had—an

important event took place, and there seemed to be an effort to

launch a satellite that would signal that North Korea had arrived

in some way. It serves the purpose of testing an international

range missile. It serves the purpose of marketing such a missile.

It gave them leverage in dealing with us.

They did things such as digging a hole at Kumchang-ni. Now,

whether that hole had a maligned intent in the initial phase or not,

we may, in fact, have surprised them by coming in with 300,000

tons of food to have a look at that hole in the ground when they

weren’t going to do anything but just have a hole in the ground.

It is very hard to understand what their intentions are.