Thank you very much, Mr. Chairman.

Thank you, Ranking Member Gejdenson, and Subcommittee Chairman

Mr. Bereuter, for being here this morning. Thank you very

much for the opportunity to discuss the Administration’s North

Korea policy.

I have submitted a fuller written version of my testimony for the

record, and I will try to summarize my comments and make time

for your questions.

Just this last September, Dr. William J. Perry presented the

findings and recommendations resulting from his 10-month long review

of our policy toward North Korea. I have been very privileged

to be part of the policy review team as the senior government official

who worked most closely with Dr. Perry, and I chair an interagency

working group responsible for implementing the report’s

recommendations.

Mr. Chairman and Members, I completely agree with you: the

Korean Peninsula remains one of the most volatile areas in the

world. Our overarching goal there is simple—achieving lasting

peace and stability and removing the threat that it poses for the

United States, for our allies, and for the world.

Since 1994, the Agreed Framework has been at the center of our

DPRK policy, and key to any ultimate success in achieving our

goal. Two events in 1998, however, called that policy into question.

That summer we found ourselves in protracted negotiations with

the DPRK to gain access to a site at Kumchang-ni that we suspected

might be the future site of a nuclear reactor.

If confirmed, the existence of such activities would have violated

the Agreed Framework and jeopardized its continued viability. A

visit to the site last May demonstrated that it was not involved in

such activities, and we will revisit the site this spring. As was confirmed

in the talks that Ambassador Kartman just completed in

New York, we will return in May.

The experience, nonetheless, demonstrated the need for a mechanism

to address similar concerns should they appear in the future,

at least until such time as the DPRK comes into full compliance

with its IAEA obligations under the terms of the Agreed Framework.

Separately, in 1998, North Korea fired a long-range missile, the

Taepo Dong I, over Japan in an apparently failed attempt to

launch a satellite. Even though missile controls are not part of the

Agreed Framework, this test firing rightly provoked a storm of protest

in both the United States and Japan, and led to calls in both

countries to end support for the Agreed Framework.

There is no doubt in my mind, however, that had we aborted the

Agreed Framework, the DPRK would have responded by reopening

its nuclear facility at Yongbyon. This would have placed the DPRK

in a position to resume production of weapons-grade plutonium,

and eventually to arm those very missiles with nuclear warheads—

the very worst of all possible worlds.

During that period in 1998, the Congress called for a review of

policy toward the DPRK. President Clinton and Secretary Albright

agreed with the Congress and asked Dr. William J. Perry to assemble

a policy review team. Over the course of 10 months, we met

with experts inside and outside of the U.S. Government, including

all of you on this panel and many Members of Congress and their

staffs.

We traveled several times to East Asia to consult with our allies

in the Republic of Korea and Japan, and with China’s leaders. We

also exchanged views with the EU, Russia, Australia, and other interested

countries. We visited Pyongyang to talk with the leadership

of the DPRK, and we have reported to this Committee on that

visit.

Through many long sessions with our ROK and Japanese allies,

we discussed how best to pursue our common goals of peace and

stability, while taking into account our respective interests. After

many months, we reached a common approach and a common understanding.

The Perry Report is the result.

The comprehensive approach recommended by Dr. Perry, and developed

in close consultation with our two allies, gave highest priority

to our security concerns over DPRK nuclear weapons and missile-

related programs. The strategy he recommended envisioned

two paths.

On the first path, the U.S. would be willing to move step-by-step

in a reciprocal fashion toward comprehensive normalization if the

DPRK was willing to forego its nuclear weapons and long-range

missile programs.

Alternatively, if North Korea did not demonstrate its willingness,

by its actions, to remove these threats, the United States would

seek to contain them by strengthening our already strong deterrent

posture.

Because the second path is both dangerous and expensive, but

most importantly because it is so dangerous, we and our allies all

strongly prefer the first alternative, if we can go down that road.

As I have indicated, perhaps one of the most fundamental things

to result from the Perry process has been extraordinary coordination

among the three allies, which is stronger than at any time in

the past. This is largely the result of the newly instituted trilateral

coordination oversight group, or TCOG—perhaps not the world’s

greatest acronym—created nearly 1 year ago to ensure more fre-

quent, close consultation among the United States, South Korea,

and Japan, at the subcabinet level. I chair our delegation to that

TCOG.

We have met nine times trilaterally over the past year, including

a meeting of foreign ministers and a summit meeting. Allied support

for the U.S. approach is strong, in part because the Perry report

is, in essence, a joint project. In January, I visited Seoul and

Tokyo on one of our many trips there. I met with President Kim

Dae-jung, participated in a TCOG meeting, and met with Japanese

leaders.

During our discussions, President Kim again expressed his full

support for our policy as complementary to his own policy of engagement.

We, in turn, fully concur with his view that North-South

dialogue remains central and key to ultimate peace on the peninsula.

We hope the DPRK leadership will have the foresight to take advantage

of the opportunities before it to address issues of mutual

concern, and to move its relationship with the United States, the

ROK, and Japan, more rapidly down the path toward normalization

and ultimate peace and stability.

There are increasing signs that other members of the international

community would be prepared to increase their contacts

with the DPRK as the DPRK addresses the international community’s

legitimate concerns. Italy has recently established diplomatic

relations with the DPRK.

The Australians and the French both recently sent delegations to

Pyongyang. Canada received an unofficial DPRK delegation. The

Philippines is considering establishing relations, and, as you know,

Japan is about, probably at the beginning of April, to move forward

in normalization talks with the DPRK. We are consulting constantly

and closely with our friends and allies on North Korea policy

to ensure that our approaches are coordinated.

Guided by the Perry recommendations, U.S. policy is making

progress in the step-by-step reciprocal approach recommended by

the Perry Report. In September, the DPRK announced its intention

to refrain from long-range missile tests of any kind, while highlevel

discussions were underway to improve relations. This was a

small but important step in dealing with our proliferation concerns.

In September, we announced our intention to ease certain economic

sanctions against the DPRK. More recently, the North accepted

Dr. Perry’s invitation for a reciprocal visit to Washington by

a high-level DPRK visitor. From March 7th to just yesterday,

March 15th, in New York, Ambassador Charles Kartman and Vice

Foreign Minister Kim Gye Gwan held their third round of preparatory

talks for the high-level visit. Further preparatory talks

will be needed before the visit occurs.

The DPRK did agree yesterday in New York to recommence talks

related to our concerns about the DPRK’s missile program, and to

begin a new negotiation on implementation of the Agreed Framework.

As you know, as part of the positive path outlined in his report,

Dr. Perry proposed talks to deal with our continuing concerns

about DPRK missile-related and nuclear weapons-related activities.

We are glad that the DPRK has now agreed to proceed with those

negotiating tracks.

Finally, the DPRK reconfirmed yesterday its agreement for another

visit to Kumchang-ni in May of this year. The negotiations

leading to a DPRK high-level visit have been difficult, and, knowing

North Korea, will remain difficult, as are all negotiations with

the DPRK. These discussions continue.

Nonetheless, we and our allies remain convinced that the visit

would advance our interests. We view the visit as an opportunity

for both sides to demonstrate their intention to proceed in the direction

of a fundamentally new relationship. It would be an important,

but, as Secretary Albright said, a modest step, and would

make clear to the DPRK that as it addresses our security concerns

we are prepared to reciprocate by taking other steps to improve

ties with the DPRK.

As we move forward in our relations with North Korea, the

Agreed Framework will remain central to our policy. The turnkey

contract, the light water reactor construction, was signed on December

15, 1999, and became effective on February 3rd. This

means that construction can now, as soon as winter is over, begin

in earnest.

As you know, the ROK in Japan committed respectively to providing

70 percent of the actual costs—that is the Republic of

Korea—and the yen equivalent of $1 billion for Japan, based on the

current estimated cost of $4.6 billion. Since the turnkey project became

effective, South Korea has already disbursed nearly $120 million,

and Japan over $51 million, to KEPCO, the primary contractor

for the project.

We believe the Framework continues to be our best means of

capping and eventually eliminating the threat of DPRK nuclear

weapons by replacing the dangerous and frozen graphite-moderated

reactors with proliferation-resistant light water reactors.

Faithful implementation of the Agreed Framework by all sides is

absolutely essential to keeping the DPRK’s nuclear activities at

Yongbyon and Taechon frozen, and to the maintenance of stability

on the peninsula.

We do need, and have appreciated, the Congress’ continued support

in order to continue to live up to our side of the bargain by

helping to provide heavy fuel oil, even as fuel oil prices, as you all

know very well, are painfully high and have a difficult impact on

our project as well.

In doing so, we will, of course, continue to hold the DPRK strictly

to its own obligations and commitments under the Agreed Framework,

including the rapid conclusion of spent fuel canning and resumption

of North-South dialogue.

While we are striving to advance our nonproliferation goals, we

remain committed to addressing other issues of concern with the

DPRK. We have and will continue to do all we can to improve the

monitoring of food aid and other international assistance to North

Korea. We will continue to monitor, condemn, and work multilaterally

to gain improvement in the DPRK’s dismal human rights

record. We will support UNHCR’s effort to address the plight of

North Korean refugees.

As suggested in the Perry Report, we will pursue our serious concerns

about the DPRK’s chemical and biological weapons multilat-

erally. We will also continue to seek information on the alleged

North Korean drug trafficking and other illegal activities.

Bless you, Mr. Chairman.

Absolutely.

I am also very personally committed to

ensuring that we resolve, as fully as possible, the status of the

American soldiers who remain unaccounted for from the Korean

War. As we approach the 50th Anniversary of that conflict, this is

absolutely critical.

The DPRK has been cooperative on this issue in the past, but the

current lack of progress is more than a disappointment. This is a

very important issue for veterans, for the families of those still

missing, and for all Americans. We have an obligation to continue

to press the DPRK to work with us on this very critical issue.

Let me stress, as I seek to conclude, Mr. Chairman, that we are

attempting to pursue a constructive dialogue with the DPRK that

addresses our central security concerns and leads us more rapidly

down the path toward full normalization only as those concerns are

addressed.

The Cold War still exists on the Korean Peninsula. We hope that

our dialogue will be a crucial step toward ending it. We are under

no illusions that it will be an easy path. We recognize fully that

everything we and our allies do in diplomacy requires, first and

foremost, the maintenance of a strong allied deterrent posture.

This is fundamental.

In fact, the Perry Report stresses, and Dr. Perry has said directly

to the DPRK, that there would be no change in our conventional

forces. Congress’ support of our forces in the region remains essential.

The presence of 37,000 U.S. troops in South Korea and 47,000

in Japan demonstrates our commitment to stand with our allies

against any threat of aggression.

With our South Korean and Japanese allies, however, we believe

that this comprehensive two-path strategy recommended by Dr.

Perry offers the best opportunity to change the stalemated situation

on the Korean Peninsula in a fundamental and positive way.

Through these efforts, we hope to lead the Korean Peninsula to a

stable, peaceful, and prosperous future.

In closing, Mr. Chairman and Members, I would like to cite a

senior Administration military leader on the Korean Peninsula who

told me the following in my most recent trip there. He said, ‘‘When

I came here 18 months ago, I thought I would have to fight a war.

Thanks to the efforts of your team, I see this as an increasingly remote

possibility.’’

Mr. Chairman, making war an increasingly remote possibility,

working to address our concerns about weapons of mass destruction,

and addressing pressing human needs—these are challenging

and hard-to-achieve objectives. It will take time—unfortunately,

probably lots of time—to accomplish them. I know, however, that

we share these goals, and, working together, I believe we can and

will succeed in this mission.

I thank you very much, and I am happy to take your questions.

Thank you, Mr. Chairman.

[The prepared statement of Ambassador Sherman appears in the

appendix.]

First of all, Mr. Chairman, I don’t exactly

see what happened in New York in exactly the same way you do,

which probably doesn’t come as a surprise. I don’t see it as the

talks having broken down or having failed. I see it as part of a very

tough and continuing negotiating process that we expected to take

time.

In the Perry process, and in the Perry Report, we sought to address

two immediate, we thought, highest priority fundamental

concerns. That is, the implementation of the Agreed Framework

and concerns about ongoing nuclear-related activities, and the missile

program that North Korea has. In that report, we suggested

that there needed to be a reintensified missile negotiation and a

new negotiation on implementation of the Agreed Framework.

Oddly, nowhere in the Perry Report do we suggest a high-level

visit. The high-level visit actually became a concept that arose out

of a discussion with the North and a desire to reciprocate an invitation

that we put on the table when we were in Pyongyang that

they were welcome to come to Washington.

So we are actually quite pleased with the outcome from New

York, as difficult as it was and as difficult as the days ahead will

be, in that we expect very soon to have that reintensified missile

negotiation underway, to have the Agreed Framework implementation

negotiation underway, and to continue our conversation on the

high-level visit. I fully believe that will take place.

The two negotiations may take place in advance of it, but I think

the sequence matters less than trying to reach our security objectives.

A new date has not yet been set, but I

would expect that to happen in the next few days. Ambassador

Kartman had to come back and consult with us. They had to go

back and consult with Pyongyang.

On the diversion of assistance issue, we

believe, based on the Perry Report and reports from within North

Korea, that assistance is reaching the targeted population. So the

President used his waiver authority on that certification provision.

On the uranium issue, the way that certification is written, it

goes to the intention of North Korea. To tell you quite frankly, Mr.

Chairman, having sat across from North Koreans, it is very hard

to conceive of what their intentions are. One can hypothesize, one

can apply logic, but it is very hard to know, actually sitting across

from anyone, what their intentions are.

So we felt, again, to be fully accurate to the Congress, we could

not certify as to North Korea’s intentions, but, rather, use the

waiver authority which the legislation provides.

Thank you, Mr. Chairman. Ending terrorism

in the world is one of the highest priorities for the U.S. Government.

It poses a substantial threat to American citizens, as I

think America has seen quite painfully in the last few years. So,

it is in the United States’ interest to get North Korea to take those

steps which would end its state sponsorship of terrorism and any

terrorist activities that it might undertake.

There are two ways that a country can be removed from the list

of state sponsors of terrorism. Both contain the concepts of cessation

and credible forbearance of terrorism. I can go through, if

you would like, the excerpts from the law, which I am sure you

know, that specify the kinds of things that must take place for a

country to come off the terrorism list.

I would suspect that our process with North Korea will take

time. Michael Sheehan, Ambassador Sheehan, who is the head of

our counterterrorism office—an office which you, Mr. Chairman,

had a great deal to do with making sure it had prominence, focus,

and the attention of the Secretary of State—met with the North

Koreans in an introductory meeting where he merely laid out what

it took under our law to come off of the terrorism list, and the process

of negotiations that we wanted to undertake to talk with the

North Koreans about taking the steps they would need to take to

no longer be seen as a terrorist country.

I would suspect that we will have follow-on negotiations and discussions.

I think this will take some time to do. Let me hasten to

add that before Ambassador Sheehan even had the introductory

talks, in the TCOG that I held in Seoul with Japan and South

Korea—both bilaterally and trilaterally—we discussed the terrorism

issue. Bilaterally particularly, I spoke with both countries

about what their particular concerns were that they hoped we

would address.

So we very much have in mind the concerns of our allies as we

undertake this particular discussion. However, it will take some

time, and I would be happy in a closed session to brief you or your

staff about each specific requirement. I don’t think it would be good

tactically to have that discussion in public.

North Korea is considered an ally of

China, and China of North Korea. China does supply oil and food.

I believe we have very good reason to know, in fact, that in urging

North Korea not to test launch a long-range missile, and to agree

to the moratorium on such launches, that China played a very positive

role in encouraging them to not destabilize the peninsula further

by undertaking test launches.

It is ironic, Congressman Gejdenson—because some of our goals

are probably not the same—that we share objectives in this area.

China has no interest in an arms race on the peninsula. That is

because of North Korea, but that is also, quite frankly, because of

Japan and Taiwan. China has no interest in people having nuclear

weapons on the Korean Peninsula because it is destabilizing not

only for South Korea and Japan, but for China as well.

So we believe that China has actually played a constructive role

in getting North Korea to end its isolation and to move forward in

working in a somewhat coordinated fashion, though not in the

same way that the ROK and Japan do with us.

I believe, Congressman, the relationships

are largely of exporters and importers. There are some details of

those relationships that I would be glad to discuss with you in a

private session.

The Russians do have a relationship with

the North Koreans. Foreign Minister Ivanov recently went to sign

a friendship agreement in Pyongyang. He spoke with Secretary

Albright before he went and briefed us when he came back. In fact,

we suggested some messages that he might want to take, and he

did, indeed, do so. We try to stay in close touch with Russia.

I think it is significant that although I believe the DPRK was interested

in a military alliance with Russia, Russia did not want to

proceed in that direction. There is no longer a military alliance between

Russia and North Korea.

I think other countries are trying to develop

a relationship, in part because they have adopted the ap-

proach of our trilateral alliance, and of the Perry Report, to believe

that if we can begin to bring North Korea out of its isolation—out

of the closed hermit kingdom that many people describe it as—that

we might have a better chance of getting them to join the norms

of the international community. That is a hypothesis that we are

testing out, and I don’t know, to tell you the truth, what the answer

to that will be.

Italy will be visiting. Foreign Minister Dini, is going to be visiting

Pyongyang, and he is stopping here for a consultation before

he goes. I believe that we will probably see normalization of relations

with other countries as well in the coming days. But all of

these countries are doing it quite slowly, usually by double-hatting

their Ambassadors in Beijing, and then moving very slowly in close

consultation with all of us who are involved in policy toward North

Korea.

China obviously, Russia, and then there

are several other countries. I don’t know the number.

Do you know the number?

Yes.

They have a presence. They have a presence,

and as does Sweden, and there are a few others. We can get

you the list, Congressman. I don’t think we would say that any of

them have a staggeringly significant relationship. In fact, it is not

a post that people clamor to take on.

Probably the largest and most significant

economic relationship is with South Korea. Hyundai opened a tourism

project at Kumgang Mountain. They are also working to put

together an agreement for, in essence, what we might call an enterprise

zone. There have been, I think, in the last year over $300 million

spent in North Korea in the tourism project. Samsung has

opened up a project in North Korea.

In fact, I met with the president of Hyundai Asan when I was

last in Seoul. The amount of private sector relationship with North

Korea is growing quite significantly. In my discussions with President

Kim Dae-jung, although the North has not yet developed a

government-to-government relationship with South Korea in the

way that we all would hope it to be, the private sector relationships,

I think, are heading in a very positive direction, and ultimately

will require, probably for infrastructure reasons, a relationship

with the South.

No.

Correct. With the knowledge and understanding

of the South Korean government.

I will, indeed. Thank you.

I think what we believe, Congressman, as

I said, we would know if North Korea was choosing the second path

by its actions. There is no question that if they launched a Taepo

Dong II missile, it would be a very serious action, and we would

be in immediate consultation with the Congress and with our allies

on those steps that we would need to take.

I think, more importantly, or as importantly, when the Taepo

Dong I overflew Japan, the response in Japan and here in the

United States, and rightly so, was one of concern. One can see that

you could be down a downward slippery slope quite quickly. So I

think it is a very dangerous situation we would have to take extremely

seriously. I know that Dr. Perry feels that way as well.

I think it would certainly show that they,

for the moment at least, had chosen not to take the positive path.

What we tried to do in the Perry Report and in the classified report

that was submitted to Congress is to build a ledge, so to speak,

Congressman, because I don’t think we want to go from a missile

launch to war, if that can be avoided.

Although it would certainly mean they were not on the positive

path, we would need to take those actions that would help us from

going on a downward slope quickly toward war and conflict.

Yes. It includes——

Right. Not a matter of war necessarily,

but a way, if they took negative actions, that we could strengthen

our deterrent posture, but also what we could do politically and

economically, which sometimes is equally as important.

What it is and what we have said repeatedly

is that the Agreed Framework halted the plutonium production

through graphite-moderated reactors at Yongbyon and

Taechon, which is the quickest and surest way to the development

of nuclear weapons.

Dr. Perry has said in front of this Committee that we have—we

all have concerns about whether, as he calls it, the physics of nuclear

weapons is still occurring, because that could take place in a

room smaller than this.

One of the reasons that we want an Agreed Framework implementation

negotiation, which the North has now agreed to, is to get

at some of those concerns that would be realized in the Agreed

Framework, but would not be realized until all IAEA full safeguards

were in place, which will take some time because of the

steps that are in the process of the Agreed Framework.

I think, though, part of it is the passive

verb. There is no question that the facilities at Yongbyon and

Taechon would have given the DPRK a nuclear weapons capability.

But we are not saying anything about

that here.

I think one of the reasons that it may not

have been asked in that way, Mr. Bereuter, is that the light water

reactors that are being built are being built through KEDO, which

is a consortium of countries and an entity that is responsible for

the development of those light water reactors.

The primary contractor for those light water reactors is KEPCO,

which is a South Korean entity. So I will go back——

[continuing]. What my colleague is telling

me is there are no licenses yet, and we would need to put a nuclear

cooperation agreement in place first, prior to such licensing.

Yes.

Yes. As you know, Congressman, there is

a sequence of events that need to take place, the nuclear cooperation

agreement being one of them, before key components are in

place and the construction is complete.

I am sure they will be, and we will be in

very close consultation with Capitol Hill as we present a nuclear

cooperation agreement at the appropriate time.

I believe that Admiral Blair testified in

front of this Committee and said quite publicly that the winter

military exercises were quite large, quite sophisticated, and quite

good. I would not differ with Admiral Blair in that regard.

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It is true the scale of operations during the winter cycle did exceed

what had been observed over past years. But I want to remind

the Committee that we have never shrunk from the fact—and it is

part of our grave concern about North Korea—that their million

man army is formidable; that the artillery and supplies that they

have, although not as up to date as they would like to be, probably

without some of the spare parts they want, could do catastrophic

harm to our allies and to our troops. We take it quite seriously.

As for the food issue, Congressman, it is also my understanding,

though I was not here, that Admiral Blair said that at the end of

the day, food aid did not make a difference, in his judgment, in the

capabilities of that million man army, and that it was the American

tradition to provide such food aid. He believed it was the right

way to go.

There is no question, and we have said this before publicly, that

food aid—food is fungible, and there is no question in my mind but

that North Korea wants to feed its military first and foremost.

They cannot produce enough food for their own people, and probably

the food they do produce goes first to their military, and then

foreign food aid goes to others in the population.

We do believe, through the monitoring of the WFP, although it

is not perfect and we are always trying for better monitoring, that,

in fact, food is reaching the most vulnerable populations. Those

who have been there frequently have seen, just with their own

eyes, a difference in terms of the health and welfare of children,

women, and the elderly.

We do not believe so, Congressman. One

of the reasons that we wanted to provide heavy fuel oil was the fact

that it is harder to convert heavy fuel oil to other forms of fuel. I

cannot tell you with a guarantee and a certainty that they have not

gone through the process which would enable them to do that, but

it is one of the reasons that heavy fuel oil was chosen.

I am aware of these reports, Congressman,

and we are very concerned about them. This is a very sensitive

subject because it goes to a number of areas. I would be

pleased to have someone come up and give you a full brief, but I

would rather not do that in a public hearing.

I am very glad you asked this question.

I happen to have a card here ready for it. It is hard, and it is very

frustrating. I have many colleagues who have been at this a whole

lot longer than I have been. I think to myself on the days—which

is almost every day with North Korea—that I am intensely frustrated,

I think of other parts of the world where negotiations have

taken a long time.

Ambassador Dennis Ross, who is a tremendously able negotiator,

has been working on Middle East peace for 10 years. We didn’t see

the end of the Soviet Union for more than 40 years. We tend to

think of timeframes in 2, 4, 6, and 8 years. It has something to do

with our election cycle probably. But North Korea sees life and

time in 40-year increments. Somebody gets to be the head of North

Korea for 40 years, and then dies and his son takes over.

So their sense of time is quite different than ours. Their approach

to proceeding on these issues is quite different than ours.

That said, Congressman, you have every right to ask, so what

has this gotten us anyway? Let me tell you what I think we have

achieved, even in this very painful, difficult, slow process.

There is no question in my mind that the Agreed Framework

froze plutonium production, and plutonium production was and still

remains the fastest way to nuclear weapons. If that reactor, that

potential reprocessing plant, were to startup again today, in

months we would have dozens of nuclear material for nuclear

weapons.

Second, we have gotten far enough in our relationship with

North Korea that when we have a crisis, when we have a problem,

we are able to negotiate our way to the other side; Kumchang-ni

being the best example of that. That was a crisis situation. The

Congress, understandably, the intelligence community, the policy

community, the Secretary of State, the President, and the Secretary

of Defense, were quite concerned that Kumchang-ni was a

nuclear reactor site, given its size and given some of the characteristics

of it.

Ambassador Kartman, through very patient and tough negotiations—

he is one of the most tenacious negotiators I’ve ever met.

You would not want to sit across from him. He can sit and stare

at you for hours and not blink and not move until you are ready

to move in his direction. He managed to gain access to Kumchangni,

not just once but as many times as it took to satisfy our concerns.

As I said, the North Koreans just reconfirmed again the visit

in May of this year.

Third, again, through very tough negotiations, the North Koreans

have agreed to suspend their launch and testing of long-range

missiles while conversations and dialogue go on with us. This is no

small action. It is not that they have stopped all of the development

of their missile program. I do not believe they have. But

it——

Right. It is very, very hard to continue

development of a program if you cannot test. If you cannot test, it

is harder to market your weapons. If you do not test and you only

have one missile, it is hard to give it a whirl because you don’t

know whether it is going to work or not.

So folks who are missile negotiators, who—Bob Einhorn, who is

our Assistant Secretary for Non-Proliferation, would tell you that

the single most important thing anyone can do to slow down, if you

cannot yet stop a missile program, is to stop the testing.

We have a long way to go. We are very glad that North Korea

has agreed to reintensify the missile negotiation to schedule the

next missile negotiation, because as the Perry Report says, our goal

is to end North Korea’s long-range missile program, to get a

verified program to end the development, deployment, testing, and

export, which is critically important. That remains our objective.

We also now have, as I mentioned, commitments to a reintensified

missile negotiation, Agreed Framework implementation, which

gets to nuclear-related concerns. We will have ongoing terrorism

talks, which is a tremendous interest.

Fourth, or fifth—I don’t know where I am in the list—food aid

is very controversial, but it is, as Admiral Blair said, the American

way. We have fed vulnerable, starving-to-death people, and that is

important. It is still important to our country.

Finally, and I think quite critical to whether we will ultimately

succeed here or not—and I still don’t know whether we will—is

that we have constructed and now carried out the strongest trilateral

consultation, I think, in our security, both military and political,

relationship with South Korea and Japan. We have now proceeded

also to further multilateralize that approach, so that we are

in consultation and coordination with virtually everyone who is approaching

North Korea.

I don’t know any country that gives them

hard cash. I would have to consult with my colleagues. I don’t believe

so. Our contribution is heavy fuel oil, and some administrative

expenses to KEDO, and our food aid. When the Congress has

monetized that food aid, it gets upwards to several hundred million

dollars.

The EU makes contributions toward KEDO. China gives oil and

food. Hyundai, which is a private corporation that we discussed

earlier, does make payments to North Korea for the mountain tourism

project. But there is no government that I can think of that

gives cash, except those governments which buy missiles and missile

technology from North Korea.

We believe that North Korea exports that technology for three

reasons. First, as status and pride that they, in fact, can do this.

Second, as a leverage in its relationships with us and others in the

world. Finally, for hard currency. We don’t think the hard currency

is the primary reason because although it is substantial, it is not

really as much as one would think.

It is hard to answer that question, Congressman,

because I think many people would have predicted that

North Korea would have collapsed already. Certainly, I think, a

couple of years ago a lot of analysts thought they would, but I

think virtually every analyst would say today that they are not

going to collapse.

One of the fundamental premises of the Perry Report, which

leads one to certain conclusions, is that we have to deal with this

regime as it is, not as we wish it to be, because it is not in danger

of imminent collapse. That is the view of our South Korean allies

who are quite closer to the situation than we are, and I think of

most analysts.

There is no question that if one believes they are on the verge

of imminent collapse, then one might have adopted one of the proposals

that we outlined in our report which we rejected. If you

thought they were in imminent collapse, one might move to try to

undermine the regime because you might think you could do it

rather quickly.

We rejected that proposal because we don’t believe they are in

imminent collapse, and to undermine a regime takes a long time.

During that time they would develop weapons of mass destruction

further, and make it even more difficult to get them to give up

their indigenous program.

I doubt it, Mr. Cooksey, because North

Koreans cannot travel outside of a 25-mile radius of New York,

where they have a permanent representative at the U.N., without

permission by the State Department. Those who were with Ambassador

Kartman in New York did get permission to go to Georgia

for a meeting at Georgia Tech tomorrow, but we know where North

Koreans travel in this country, unless, of course, they are here in

ways that we are not aware of.

So I would suspect there isn’t a North Korean in this room, but

I couldn’t guarantee it.

Thank you.

When I said I was pleased, it is because

I feel that we are still taking steps forward in this process. I think

probably I get pleased maybe perhaps with less than would please

you, Mr. Chairman, because this is a very, very difficult process.

So if you can take forward steps with North Korea, then one is

ahead in this process.

In the overall scheme of things, there is no question. I wish we

had a date for a high-level visit. I wish we had the agenda completely

nailed down. I wish that we had already had the missile negotiation,

the Agreed Framework negotiation. I agree with you. I

would be even more pleased if those things had occurred.

However, we did make forward movement in a process in which

forward movement, small steps, one at a time, is the way that we

are going to solve this problem. I wish it were otherwise. I truly

do. I know Ambassador Kartman, who has to sit for hours and

hours and hours with some of his team who are here, across from

the North Koreans wish that more progress would go forward.

I think, fundamentally, there was no rebuff of our objectives.

There was no disagreeing that, in fact, we are still proceeding toward

a high-level visit. The missile moratorium remains in effect,

which is crucial to meeting our ultimate objectives around their

missile program.

We are still proceeding in very small steps—I agree with you,

very small steps—very slow, small steps. However, we are still

moving in a forward direction, and that, I think, is what our allies

believe is necessary and what we have agreed to with South Korea

and Japan, as Japan is proceeding in its own bilateral track.

The one last thing I would add, Mr. Chairman, is I had a meeting

yesterday with one of our colleagues from Japan, and one of the

points he made, which I think is quite true, is that we have to look

at the aggregate of what is occurring. We believe, and Japan and

South Korea believe, that any progress each of us makes is part of

the aggregate progress that all of us are making toward dealing

with North Korea because we are working together.

So, if Japan has its bilateral talks because they are in such close

coordination with us, we are moving forward on the objectives of

the Perry Report. If South Korea moves, both in its private economic

channels and, I hope sometime soon, in North-South direct

government channels, toward reaching those objectives, we are

reaching our common objectives.

I am not as pleased as I would like to be, but we are at least

still moving forward.

Without getting into the specifics of the

issues that you are discussing——

Yes, absolutely. The reason for the

Agreed Framework implementation talks, as I said, is to address

our concerns that we either cannot get to soon enough because of

the Agreed Framework implementation guideline and parameters,

or where other concerns have been raised that we want to address

as it was in the Kumchang-ni situation.

In the missile talks, absolutely. We are quite concerned about the

range of activities of North Korea. I cannot today give you dates

for the missile and the Agreed Framework implementation. As I

said earlier, Ambassador Kartman had to come back to us. Kim

Gye Gwan had to go back to Pyongyang. But we expect those dates

to be set very soon through the New York channel.

Thank you.

Thank you very much, Mr. Chairman.