Thank you, very much, Mr. Chairman, and let me

thank the Members of the Subcommittee, Mr. Lantos. Thank you

all for this very timely opportunity to discuss recent developments

in United States policy toward DPRK, toward North Korea. I will

discuss our efforts to eliminate North Korea’s nuclear weapons and

nuclear programs through the multilateral diplomacy of the Six-

Party Talks. And I will discuss possibility of a North Korean long

range missile launch, also their illicit activities, and the plight of

North Koreans both inside and outside of North Korea.

On the Six-Party Talks, I want to make very clear that North

Korea’s nuclear program is not a bilateral program that is facing

the United States alone.

The Administration’s approach has been, continues to be to keep

the focus on the Six-Party process and work closely with our partners

to get North Korea back to the negotiating table. We do not

want to turn the talks into a bilateral exercise with North Korea

and leave our partners, our very important partners, outside the

room waiting to hear what happened.

This is a problem that involves them all. Eventually when we get

to a solution, and I remain optimistic that we will get to a solution,

we will need all of our partners involved, and to have them involved

in the solution is to have them involved in the negotiations.

So the time when American diplomats would negotiate with the

North Koreans and South Korean diplomats would wait at the airport

for word from the American negotiators, that is over. South

Korea has a right to be at the table. The other countries in the region

have a right and I would say they have a responsibility. This

is not just America’s problem. It is not just America’s responsibility.

We need to work together, and I understand that that is

sometimes a difficult process and it sometimes takes longer than

we want it to take. But I think we need to keep a clarity of vision

here, and I think to keep the sense that we will eventually get

there through the right mechanism.

Indeed, last September, September 2005, and I agree with you,

it was a long time ago, the Joint Statement that the 6 parties

unanimously adopted gives a vision of the end point of the Six-

Party process, gives a vision of the elimination of all nuclear weapons

and existing nuclear weapons, nuclear programs, and in that

context from the other parties, those parties were full members of

that negotiating process. We look to them for energy and economic

cooperation, for security provisions for North Korea, and indeed toward

steps toward normalization of the relations with North Korea

dependent on or subject to our bilateral policies.

All the parties will benefit from full implementation of the Joint

Statement, but North Korea cannot get to the economic, political

and security benefits that are in that statement until it returns to

the table and starts implementing its commitment to eliminate its

nuclear programs and its nuclear weapons verifiably and irreversibly.

The United States is prepared to rejoin talks without preconditions,

and we are prepared to continue to talk directly, directly,

to the North Koreans, in the context of those talks.

In January of this year, I traveled to Beijing and I met my DPRK

and my Chinese counterparts and I delivered that message directly.

I told them we were working to get ready for the next round

of talks. We were doing our homework to make sure that when we

got to that next round of talks we would indeed make progress in

it. I told them that what we all need to do is to begin the implementation

of this Joint Statement. And I asked my DPRK counterpart

what are you doing to get ready for the next round of talks?

Are you also doing your homework? Because implementation of

these agreements is always the tough part. And so even when you

are not in the talks, you ought to be getting ready for them.

I don’t think there is any ambiguity or misunderstanding about

the United States position. The problem is that North Korea continues

to appear not to have made that fundamental decision to

denuclearize and begin a new relationship not only with the United

States but also with the international community.

Still, active diplomacy between the United States and other parties

is continuing, and we are trying to establish a basis for North

Korea to make the decision that is so obviously in its own interest.

Unfortunately, North Korea has been engaged in some illicit activities.

The DPRK has referred to U.S. law enforcement and financial

regulatory measures as sanctions and has claimed that these

measures are blocking progress in the talks.

I think here, too, we need to be very clear. The United States

will continue to take law enforcement actions to protect our currency

and our citizens from these illicit activities. The measures we

have taken are targeted at specific behavior, and contrary to North

Korean assertions, they are not related to the Six-Party Talks. We

cannot allow some countries to counterfeit our currency because we

have some negotiations that are very important. If we go down that

road and say you can counterfeit our currency because we have

some negotiations going on, what is the message that goes out to

the world? I mean how can we live with a policy like that? And I

must say how can I as a person from the State Department come

up to the Congress and justify illicit activity?

We cannot and I think we need to be very confirm firm on this

point. We need to continue to pursue this problem and make North

Korea understand the way other countries understand, that it is

simply not acceptable.

As you know, there are indications that North Korea is preparing

and has been engaged in what appears to be getting ready for a

possible launch of a long range missile. We can’t speculate at this

point on their intentions.

We are working closely with our friends in the region and elsewhere

to discourage the DPRK from taking this highly provocative

action. We are consulting closely with other members of the UN Security

Council and we found general agreement, in fact we have

found very strong agreement throughout the world that a DPRK

launch would be a serious international security matter.

And while a launch would raise questions about the future of the

Six-Party Talks, I want to also be very clear that we are prepared

to—we continue to be prepared to return to those talks without

preconditions. We want to find diplomatic solutions.

United States is also deeply concerned over the grave humanitarian

situation in North Korea and in particular the plight of

North Korean refugees.

We have made very clear to North Korea that discussion of its

human rights record will be a part of any future normalization

process. Human rights is a matter of international concern. It is a

matter of international standards. Every country, every country in

the world, including our own country, needs to be prepared to have

its human rights records scrutinized. Every country needs to understand

that human rights is something every country needs to

work at every day and we cannot have a situation where one country;

that is, North Korea, has a different approach that is somehow

the exception to this rule.

The United States has recently resettled some North Korean refugees

in the United States procedures to consider North Korean

nationals for resettlement is the same as for nationals of other

countries. We will consider any North Korean brought to our attention

by the United Nations High Commissioner for Refugees, by

U.S. Embassies and consulates and reputable nongovernmental organizations.

In all cases host government concurrence is required

for refugee processing on foreign territory, and we continue to press

China in particular to live up to its international obligations on

processing North Korean refugees. We will continue to work closely

with the Congress and in particular with the Subcommittee as we

pursue this important effort.

That concludes my prepared remarks, and, Mr. Chairman, I look

forward to any and all of your questions.

Well, I am speaking, I think, for the Administration

but I must say speaking personally I am not sure preemptive strike

is the way to go. I think what we have been doing, making very

clear what this launch would mean and working very closely with

allies, working very closely with our friends, our partners, and also

working diplomatically through that, but also preparing ourselves

to protect our own people and in that regard I certainly noted the

comments of Congresswoman Bordallo on this subject. We have an

obligation to our people to protect them, and I can assure you that

our Government from the President on down are very much committed

to that.

So I think we have an approach, and I believe our approach will

be effective.

Well, again, it is sort of an analytical question of

whether the DPRK is prepared to do something like that. I think

it would be a big mistake on their part. And I must say with respect

to some of these public statements that we have been reading

from the DPRK I wish they would put as much vigor into the Six-

Party process as they do in some of these public statements.

Well, Mr. Chairman, I certainly understand, I completely

understand the logic of what you are saying. But let me

make a couple of points on this.

It is true that we have been in abeyance for some 9 months. That

is, 9 months is a long time for as anyone who has ever had a baby

knows. And certainly, you know, I would like to see the time frame

shortened.

The question is, really, in how we talk to the North Koreans.

Really, these are often tactical questions. We have plenty of direct

meetings in the context of the Six-Party Talks. Throughout the

summer negotiations in Beijing, I spoke repeatedly and privately

with my DPRK counterpart. I even had—I had meetings with him

after hours. We really tried to establish a means of, a better means

of communication. I think what we have to avoid is a situation

where the DPRK looks to direct talks not as a means to strengthen

our communication or speed up our ability to get through the problems,

but rather as a way to weaken the fundamental mechanism

that we have that I believe is the right one. That is the Six-Party

process.

So let me say I don’t think—I don’t want to rule out or rule in

a trip to a place like Pyongyang, although I must say it is a little

problematic to be invited to Pyongyang at a time when they are

aiming a missile. I think that might give a bad sign, a bad signal

on our part, to understate that point.

So, but I certainly understand what you are saying in terms of

some of the decision-makers may not be at the places we want

them to be. Now, for example, our delegation to the Six-Party Talks

consists of an interagency delegation. We bring different people

there. We have people, representatives from the National Security

Council staff, we have representatives from the Joint Chiefs of

Staff, from the Office of Secretary of Defense, we have a pretty

broad group of people. And when I looked over at the table to the

extent I could tell who works for where in the DPRK delegation,

I am not sure they had quite as broad a group. So that could argue

for the idea that you have to go somewhere else to meet the right

people, or it could argue something else. It could argue that they

have not brought a broad enough assortment of people to really negotiate

the matter.

And then we get into the fundamental question that I must confess

keeps me up at night. Are they serious? Are they serious about

reaching an agreement through this diplomatic process? Do they

really want to do it? Because when I get invitations issued through

the press that I should be summoned to Pyongyang, I worry. Do

they really want me there, in which case is that the best way to

invite me? What are they proposing? Why are they doing this? So

fundamentally, the question I have is, are they serious about getting

this done? Do they have what it takes to get the deal done?

Well, I think what is important for a negotiator is not

to go beyond his or her negotiating instructions, and there is a very

practical reason for that. You don’t want to agree with something

and then have to come back later and say, uh, I went too far and

then pull it back.

I believe I have had adequate flexibility to negotiate. I must say

I think I have a lot more flexibility than my North Korean counterpart

appears to have. My problem has not been flexibility for putting

proposals on the table and working it through. My problem

has been I haven’t been able to get the North Koreans to react to

some of these ideas.

For example, in anticipation of the next round, which is when we

take the statement of principles and start implementing it, that is

when I would sort of like to hear from the North Koreans what do

they have in mind. Are they going to give us a list of a declaration

of what they have got?

You know in a negotiation, nothing is agreed unless all is agreed.

So I am not asking them to give that away while I haven’t given

something. But I want to see some sign that they are moving for-

ward on this. And what was worrisome to me was I couldn’t see

that.

I saw them getting sidetracked on the issue of the illicit activities.

Well, we never in the September agreement said that we

would ignore counterfeiting in order to get a nuclear deal. We

never agreed to ignore these problems, and they know that. So my

concern is not, has not been my flexibility, it has been theirs.

And I think this goes back to the Chairman’s comments, you

know, do you need to, do you need to bring the, you know, the top

people in at a certain stage? I feel that I have had the flexibility—

I had the flexibility to negotiate the best deal I could on this agreed

statement.

Obviously, as any negotiator knows, you are burning up the telephone

lines back home, trying to justify something that you want

in there because you know that is the only way you can sell the

deal to your partners, and so I had a lot of discussions like that

but at the end of the day I had what I needed.

I am not sure the North Koreans do. And what I said earlier,

what keeps me up at night is I am not sure whether they want to.

Well, let me say, if you look at the text of the September

agreement, there is a reference in there in section 2 that

says, the DPRK and the United States will take steps to normalize

their relations. So subject to respective bilateral policies, which

means we need to have serious discussions with them on issues

that are important to us in normalizing a relationship. And I have

to tell you one of them is they have got to stop these illicit activities,

they have to stop counterfeiting our currency. And another

issue that is important to us, important to our people, and I know

it is important to the Congress, is human rights.

So we have some bilateral policies and maybe they have some of

their own, but if they are interested in a normal relationship with

us they should come to the Six-Party process. We are committed to

it. We are committed to it in a multilateral instrument.

So to say that they find it complex to go through the Six-Party

process and somehow time consuming and then stay out of the

process for 9 months, I am not sure I understand what they are

trying to do in that case.

The Six-Party process is a very broad platform on which they can

build a number of successful policies, which will ensure their security

and ensure their entry into the international community and,

I think importantly, begin to build an economy there.

I think—I hope you would agree with me that one of the most

discouraging aspects of this missile program is that if you rankorder-

the top 1,000 problems that North Korea needs to address,

developing missiles would not be one of them. North Korea has lots

of issues they need to get serious about.

And if they come to the Six-Party process—and by the way, you

describe a situation where we are all ganging up on them. We are

not all ganging up on them; we really are not. And by the way, it

is done in a very—the Chinese are the hosts, and we have a pretty

well-heeled set of procedures for how we handle this.

I don’t think they feel ganged up on. Rather, I think it is not a

bad thing for the DPRK to sit in a multilateral process and be able

to deal with the other members of that process in a very respectful

way.

So I think this is really a game they should want to get into, and

why they have stayed out of it for 9 months is something that is

hard to understand. But again I go back to the point I have already

mentioned twice: What keeps me up at night is the thought that

maybe they don’t want to get to the end of this road.

I just want to assure you we have had many, many

direct contacts, direct meetings, both at the conference center,

away from the conference center. But we are not going to do that

if it weakens what it is we are trying to achieve, which is to create

a multilateral process to deal with the multilateral problem.

Thank you. The only impression I have is that the

Congress is very concerned about this issue and wants to see

progress. And what I want to do is assure the Congress that I am

doing everything I can, that really I do consider this a diplomatic

process that is achievable, provided—provided the North Koreans

are interested in that.

Well, I don’t—I don’t want to presume to speak for the

other countries.

We have been in close contact with all of the other

countries, and it is very clear to me that there is a real unanimity

of views on the subject of this missile launch. All the countries

have made very clear that this would be a very, very serious problem

indeed. Some countries have predicted that this would have effects,

major effects on some of their bilateral programs with the

DPRK.

South Korea has particularly noted that this would be

a very negative development which would have repercussions on its

ability to carry on North-South policies; and some of these North-

South policies are independent of the Six-Party process, so South

Korea has made very clear that this would have an effect.

Japan has also signaled that a missile launch would have a very

definite effect and there would likely be actions in Japan that

would aim at some sort of sanctions regime.

I think we have also made very clear that this would have—

there would be actions on our part, and we would look to have a

discussion and some serious efforts.

Again, I don’t want to get too specific, because I cannot speak for

all of this myself, but we would be taking up this issue in the Security

Council.

I hope the DPRK understands that if this was an effort to intimidate,

it has had the opposite effect. I hope the DPRK understands

that if this is an effort to make the DPRK safer and more secure,

it also, in effect, would have the opposite effect.

You know, countries can protect themselves by various means.

Usually you start with good relations with your neighbors as the

best means of protection, and then you build out from that—membership

in multilateral structures, cooperation among militaries.

And I think the DPRK has really gone in the wrong direction, and

I hope they understand that they need to move in another direction.

Mr. Lantos, I have done that. I have tried to make

very clear that they should not regard human rights as some kind

of weapon to be deployed against them, but rather as an affirmation

of an international value. And if they are going to—if they aspire

to membership in the international community, they must not

only aspire to a better human rights record, but also understand

that criticism of one’s human rights record is something to be expected

and, I would even argue, welcomed.

I have also taken the liberty of saying to them and to others that

the United States subjects itself to these standards. It is not always

pleasant to hear people from other countries criticizing our

human rights record. We are very proud of our human rights

record, as we should be; and so it is difficult to hear other people

have a different perspective. But that is simply—that is something

that everybody has to get used to.

And I have also made the point that a human rights record is

not a pass-fail matter. A good human rights record is something

you have to work on every day of the year. If you have not done

something to work on your human rights record on a given day,

chances are you are going to have to do it the next day, because

there is always something that needs to be worked on. And our

country is no exception.

So I have had this discussion. But in anticipation of a follow-up

question on what was the response, I am not sure——

I am not sure it was all fully absorbed, and this is why

they need to be present in the Six-Party process. They need to have

these discussions, have more of these discussions.

And in this regard, I really was very pleased when I heard of

your trip there and when I had the opportunity to talk to you after

your trip. I think these sorts of discussions are very important.

I would like to make one other point which is in the September

agreement, the Six-Party agreement. We have taken up many,

many aspects of what the DPRK says it wants. It was concerned

about security; we addressed security concerns. It was concerned

about having an eventual peace mechanism on the Korean peninsula;

that is also there. It is concerned about energy; energy is

there. It is concerned about membership in international institutions;

that is all there as well.

So, as I said, this is a very broad—I would say a pretty sturdy

platform. I know it is tough that for 9 months we have stood on

this platform and not been able do build structures on it, but I still

think it is the right way to go; and I think we have to draw some

self-confidence from the fact that we have built something that is

appropriate and we need to stay with it.

Mr. Sherman, I know you always prefer yes-or-no answers,

and I prefer them, too; but it is just not a yes-or-no question.

There have been discussions about our relationship

with China and what are the aspects of that relationship that are

most important to us and where do we need from the Chinese some

changes and where do we need some greater cooperation.

Well, I think the American people look at China and

see a very large country, a very important country, a country with

which we have many—have a very multifaceted, complex relationship.

And I think the American people look at the situation in North

Korea and they ask, why can’t we get the North Korean—their

closest ally and friend, China, to do more? And I suspect that if the

American people had the view that somehow China was not doing

what it could do, I think the American people would have their attitude

to China adjusted accordingly.

But, in short, these are—you are asking sort of very broad concepts

here of how to get China to do more on North Korea.

What I can assure you is that North Korea is one of the most

important issues we discuss with the Chinese. We raise it at very,

very senior levels, including our President raised it with the Chinese

President. We continue to have a very important discussion

with the Chinese on it, and we have made progress with the Chinese.

But I think you will find from the Chinese a certain difficulty

that they have in convincing the North Koreans.

So are Chechnya and Russia.

First of all, I have talked to the Russians on many occasions.

In fact, I went to Moscow a few months ago to discuss the

issue of North Korea.

I did not discuss Chechnya.

Look, I would like to keep the focus—to answer your

question, I would like to keep the focus on North Korea.

North Korea is engaged in programs that nobody supports, including

their own neighbors—South Korea, China and Russia. The

problem has been that those neighbors have not been able to, by

themselves, convince the North Koreans to change.

Now, the question is, do these neighbors have points of leverage

that they could use that they are not now using? And I think any

neighbor has leverage. Not the sum total—or no neighbor wants to

use all of the leverage that it might have on a neighbor, so—China

will live with North Korea or live with a Korean state on its border

for the rest of history, so they may have concerns about how they

might handle that in terms of stopping fuel deliveries and things

like that.

But I can assure you that these issues have not been pressured

not because they haven’t been thought of, but because they are difficult

issues. And when you talk about how neighbors treat each

other, it could be—it can be very difficult.

I think that is a very important analytical question,

and there are a lot of analysts on North Korea who have various

answers on it. But usually you talk to five analysts and you get six

different answers, so I want to make the first point, which is, what

goes on in North Korea often stays in North Korea. It is very

opaque. It is difficult to determine how these various factions operate.

But I will say that, you know, even dictatorships have politics,

and there are certainly indications that politics there—there are

certainly indications that some factions are more wedded to nuclear

weapons than others might be. Those indications exist.

But the problem is, we can analyze this, but it becomes very

problematic to base a policy on these analyses because we have

seen in many other countries where you thought you understood

the sort of constellation of forces, and then afterwards you went

back and checked, and you did not understand it.

So what we do is hold the authorities there responsible for doing

the right thing, and the right thing is to come to the Six-Party

Talks and implement our agreement to get rid of these nuclear programs.

And I want to stress one thing. We wrote, and the DPRK, the

North Koreans agreed, ‘‘nuclear programs’’ rather than ‘‘nuclear

weapons programs’’ because I did not want to see us get into a protracted

argument about which nuclear program is somehow peaceful

and which is weapons-related; it is all ‘‘nuclear programs.’’ And

they agreed to that. So we hold them responsible for that.

Obviously, they have politics back there. They have some people

who probably don’t like it. And then they have some other people

who probably don’t like it either, but they understand it is necessary

in order to move ahead.

We hold their government responsible for implementing this

thing.

Again, when you look at the—do you mean gaining

strength from a political point of view?

They have something which is called their Military-

First Policy, which appears to be a policy aimed at giving the military

as many assets as it seems to need. I would not say that the

North Korean military has gained strength vis-a-vis the defensive

forces that are now arrayed in the Republic of Korea and together

with our forces, as well, so in terms of relative strength against our

defensive forces, I would say that they have not gained strength.

Well, I think what you are referring to is the fact that

they have an industrial park that is located in an interesting place.

It is a place called Kaesong, and if you look at the 1945 map of

the Korean peninsula, you will see Kaesong in the southern part

in the Republic of Korea. And it was only after the Korean War,

when they redrew the line, you see that it is actually not in the

northern part of—in North Korea.

It is an industrial park which involves a number of enterprises

and a few thousand North Korean workers. I could get the precise—

6,000 North Korean workers there. And it is a part of a longterm—

I want to stress long-term—South Korean strategy, to make

their relationship with North Korea in the long term a better relationship.

Now, you can talk to many people from the Republic of Korea

who have different views of how unification could eventually happen.

I think it is important for the United States to take a position

that we would like to see—we would support whatever eventual arrangements

the Korean people can make, because the Korean peninsula

belongs to the Korean people.

And I think it is worth understanding that as you go back into

the middle of the 20th century, there were some terrible, terrible

tragedies the world over. But one of them, one of them clearly was

this artificial division, which continues to this day, of the Korean

peninsula where families have been kept apart from each other,

where there is some scar that runs across the 38th parallel.

It is a very tragic situation, and I think we need to respect the

degree to which Koreans, even if they don’t consciously think of it

every day, they subconsciously think about it. They want something

to reduce that scar. They want something to reduce the sense

of, you know, the sense of tragedy that took place.

And so they have these ideas for industrial cooperation. They

have various other ideas in the North-South context. I think I mentioned

earlier that it is not all related to the Six-Party process;

they have longer-term vision here.

So we need to understand that and respect it and try to work

with them on this.

We have an excellent, excellent relationship with the

South Koreans in the Six-Party process. We work with them every

day on this.

Certainly, if you look at the transformation of Eastern

Europe, Poland, those other countries with which I am familiar,

you will see that civil society was there. And the great tragedy of

what happened to Poland or what happened to these other countries

was, these were democracies and they were essentially taken

over.

I think it is fair to say that in the DPRK the presence of civil

society is fairly modest at this point. And so I think sort of political

evolution and structures in the DPRK, it is rather hard to foresee

how those political structures could emerge or will emerge in the

future—political structures will emerge.

But I think what we need to do is focus our attention on behavior

change, rather than regime change. We need to focus our attention

on the fact that we have a regime there that is engaged in practices

that are simply unacceptable to all of its neighbors and to us.

And I think focusing on behavior change is a much better approach.

I cannot say what institutions or what people in the DPRK would

have a different view from the current regime, but I do know that

we need a different view; and I think ultimately the North Korean

people will have to, like every people in the world, have to determine

who is going to run their country in the future.

But I don’t think it is for me to do that; it is for me to just insist

on some changes in behavior.

Mr. LEACH. Well, I share that. Policy change is the issue.

Let me just conclude with the observation that we appreciate

your excellent testimony. You noted that all countries, including

the United States, look every day at human rights of their own accord;

and to me, in North Korea the great human rights change we

need involves you, sir. That we have got to unshackle the Assistant

Secretary of State for Asian Affairs and allow him a little greater

freedom of travel.