Mr. Chairman, thank you for the opportunity to testify.

Of course, Democratic Members are welcome as well as Republican

Members to subscribe to the views of the House Republican Policy Committee.

I would like to preface my remarks by saying that we

will in a moment hear from Dr. Perry who represents a Democratic

Administration and a Democratic foreign policy, one that, nonetheless,

is the policy of the entire country because we elected a Democrat

as President of the United States. The reason for a Republican

evaluation of this policy is to give a stereo view at today’s hearing, I take it.

So you will hear from Democrats advancing a Democratic policy

and from Republicans advancing our own views, and we leave it to

Members of Congress to find a middle road, if that is the way to

go, or to prefer the better of the two arguments, if that is the way to go.

In many respects, as you will soon hear, I disagree with the Administration’s

policy, but certainly with respect to the Administration’s

position, or at least Dr. Perry’s position as he has expressed

it to me, that nothing that they are trying to do with an opening

to North Korea in any way diminishes the need for missile defense.

I happen to agree strongly with that. Certainly to the extent that

they are committed to maintaining robust U.S. troop presence on

the Korean Peninsula, I support that.

Yes, indeed. This is comprised exclusively of Chairmen

of House Committees and the leadership of the current Congress

in an advisory capacity to the Speaker of the House. Our report

from the Select Committee, as you know, was delivered to the

President and it was done pursuant to a nearly unanimous vote of

the entire House. So there are two different functions.

Thank you, Mr. Chairman. I thank Mr. Pomeroy for his question.

It stands to reason that if you have Democratic witnesses advancing

an exclusively Democratic Administration policy, there is

something to be gained from also listening to Republicans on the

subject. That is why I think the Chairman asked the Speaker’s

task force representatives here today. I have stated some of the

areas of my agreement with Dr. Perry’s views, if not the Administration’s

views. Let me explain some of the areas of my disagreement.

In summary, in my view, U.S. policy is conducting a one-sided

love affair with the regime in North Korea. But despite the fact

that we have in a one-sided way constantly offered North Korea opportunities

to engage, they have not done so.

We have made, we, the United States, specifically the Clinton

Administration, have made North Korea the No. 1 recipient of U.S.

foreign aid in the region. Now we are offering North Korea normal

relations in return for their commitment to abide by paper promises,

notwithstanding a recent history under the 1994 Agreed

Framework of violated promises and a half century of truce talks

and similar performance.

Furthermore, this is not without consequence to regional security.

North Korea continues to threaten American and allied interests.

You all know that on August 31st of last year, North Korea

launched a missile over Japan. But their disdain for human life

was such that they refused even to give a mariner’s warning to

ships in the target area for the missile.

On December 8th last, North Korea very publicly threatened ‘‘to

blow up the entire territory of the United States.’’ They pledged to

do so even if it required arming its children with bombs and sending

them on suicide missions.

North Korea has sold and continues to sell missiles and missile

technology to unstable parts of the world where they could do the

greatest harm. They provided crucial technology to Iran, as you

know, for their Shahab missile that now threatens U.S. forces

across the Middle East. To Pakistan they provided technology for

the Ghauri missile that threatens the fragile stability of South Asia.

When American negotiators sought restraint from North Korea

on the sale of these missiles, North Korea used the opportunity to

demand a one-half billion dollars in compensation. When North

Korea was asked to reveal a potential nuclear site in the mountains

of Kumchangri, one of many suspect sites that should be open

to inspection under the terms of an existing agreement, the 1992

Agreement between North and South Korea, North Korea again demanded

compensation.

North Korea continues to engage in counterfeiting and drug sales

as a matter of national policy, in spite of what should be international

embarrassment suffered by its diplomats and ship captains

caught in these criminal activities. It is this repeated indication

of callous disregard for world opinion, let alone American opinion,

that should give us great caution and skepticism in entering

upon the current policy that will be shortly advanced by Dr. Perry.

The final piece of evidence is the 1994 Agreed Framework and

our experience under it. In 1994, the Clinton Administration signed

an agreement with North Korea that it heralded then as ending

North Korea’s nuclear program and reversing the regime’s dangerous

isolation. We in Congress have given that agreement many

years now to work and we have years of experience in watching

how it worked and how that approach works.

The 1994 Agreed Framework sought an end to North Korea’s nuclear

program, but the Administration now admits that North

Korea maintains its capabilities to process plutonium on a moment’s

notice. In fact, Dr. Perry has even told us, and I am sure

he has told Members of this Committee, that this fact now compels

the United States to maintain the agreement—a rather odd circular

and counterproductive argument, in my view.

After this 1994 Agreed Framework was signed, the Administration

described it as a complete freeze of North Korea’s nuclear

weapons development program. Now the Administration claims

that it has shut down only two of North Korea’s nuclear sites, and

the nuclear weapons development program continues.

In the same 1994 Agreement, North Korea agreed to promote

North-South talks. But it has thwarted every negotiation since

then, even with Kim Dae Jung’s conciliatory South Korean government.

Just this year, North Korean ships, as you know, forced a

confrontation with South Korean naval vessels in the Yellow Sea.

How North Korea has performed under this 1994 Agreed Framework

is of great importance to what you are going to hear today,

because if you cannot accept North Korea’s promises, then even if

they make the promises that we hope they will make in return for

the concessions that we are anticipatorily granting, we will be left

nowhere different than where we started.

Under the terms of this agreement, as Representative Knollenberg

has discussed, the United States and its allies will only provide

light-water reactors to North Korea if we and they are satisfied

with North Korea’s performance. As Secretary of Defense, Dr.

Perry told us, when arguing on behalf of the agreement before the

Senate Foreign Relations Committee, U.S. compliance with that

agreement should be predicated on what they, North Korea, did

step by step. So here we are, and we can take a look at what they

did step by step.

It also matters because there are new threats that may develop

as a result of the provision of these reactors to North Korea. The

light-water reactors, for starters, cost about $5 billion, and this is

a significant enrichment of the failing regime in Pyongyang. But

more to the point, these reactors also pose the threat of increased

nuclear proliferation because the light-water reactors can also be

used to produce nuclear weapons-grade material for an expanding

inventory of North Korean nuclear weapons.

These are the reasons for the U.S. to take a cautious and skeptical

approach when we look at North Korea’s duplicitous performance

under the 1994 Agreed Framework. But the Administration’s

policy in response to North Korea’s violations of the 1994 Agreed

Framework has been systematically to reward North Korea for its

most dangerous misconduct. Time has worked to Pyongyang’s advantage,

and will continue to do so as North Korea’s military capabilities

are allowed to improve.

So I would suggest to all of you that a new policy is very urgently

needed now. A piece of that policy should be, and I think Dr. Perry

will agree with this, to strengthen United States and allied defenses

in the region. That should be given highest priority. But the

KEDO nuclear appeasement has to end.

I will conclude, because I think I have made my main

points. I will say only with respect to KEDO funding that it should

be permanently ended, and furthermore, there ought to be no buyoff

of North Korea’s missile program so that additional suspect

sites can be inspected.

I think I concluded with my recommendations. I will

say that I had an opportunity to talk to Dr. Perry this morning and

mentioned to him my concern about privatizing U.S. security interests

in North Korea. We don’t have, at least I haven’t seen from

the Administration, a plan for regime change in North Korea. So

what we are trying to do is introduce just new elements and see

what happens. But the new elements we are introducing, private

interests, will become a lobby in the United States for U.S. aid to

North Korea, so that this desperately poor country will have some

wherewithal to buy what it is they are selling. That cycle of lobbying

then becomes pressure on Congress to do the wrong thing.

It will supplant any kind of objective appraisal of what ought to be

our security policy toward North Korea.

We saw this on our Select Committee in a bipartisan way. We

have a significant section of our report that deals with that. But

we have to recognize that business is in business to make money,

and that is fine, but there has to be a security policy that has security

aims. These are different things. Now that Dr. Perry is in business,

and I understand making millions of dollars in these areas,

that is wonderful, but it is a very different thing to say that companies

can make business, particularly when it is going to be U.S.

taxpayer money being recycled to make their profits.

Dr. Perry has made a statement that he opposes the

payment of blackmail to North Korea to get them to stop their

threatening behavior.

First of all, I don’t think anybody but the questioner

here has suggested impugning Dr. Perry’s integrity. My point is

quite simple, that Dr. Perry, today, is a man of business. That is

a good thing. Some of the firms with which he is affiliated are my

former clients. I am all for American business. But it is a very sep16

arate thing and it a separate responsibility than he once had as

Secretary of Defense.

That is the reason he has the current position now. I do not

think it is inexorable that because a corporation is making a buck,

that we get a sound security policy out of it. I suggest a reason that

I believe everyone should consider very carefully that the contrary

might be the case—that you do engender a lobby that will come to

you, visit you in your office, ask for American aid to North Korea,

which in turn, will then be used to buy the things that they are

selling. North Korea hasn’t any wherewithal to buy it itself because

it has a Stalinist Government. We ought to be focused on getting

rid of that Stalinist Government, not sustaining it.

I believe that while we are putting a happy face on it,

right now the United States is engaged in paying blackmail to North Korea.

If the gentleman would permit me, I never said any

such thing, nor do I continue with that statement.

I have listened very carefully to the Administration’s

presentations in other fora, including to our task force, and I listened

very carefully to what Dr. Perry said yesterday in the Senate

before Craig Thomas’ Subcommittee, and I am left with this concern:

Dr. Perry stresses that this is not going to be U.S. money

going into North Korea, that this is going to be U.S. business, and

it will be up to them if they want to go in. The trouble is that business

has certain ways of operating. Business likes stability.

Now, one of the things that a business can get out of a communist

government is a monopoly. They can get an exclusive deal.

There is no market in North Korea, but there will be government

contracts given to some businesses to supply the government,

which will be presumably the distributor and the only one in the whole country.

The stability of that contract then becomes the business’ concern,

and the lobby you generate with this kind of a policy, where businesses

are now urging the stability of the North Korean regime, I

think is fundamentally at odds with what should be U.S. policy.

We should not sustain Kim Jong II or the Stalinist regime of

North Korea as a matter of U.S. national policy, but that is going

to be the indirect but, I think, very certain result of a policy of essentially

privatizing it and putting it in the hands of U.S. businesses

and letting them do whatever they think is in their interests.

Not because I have anything against U.S. business, I love U.S.

business, but they have their own rules and their own incentives.

We have to have a national security policy, and that is our job. We

shouldn’t try to do theirs, but we shouldn’t let them do ours.

Mr. Chairman, and Mr. Ackerman, I would respond

only to one point, because the balance of the points I think that

were just made were oratory. But there were some facts that were

raised, specifically whether or not nuclear material can be produced

from these light-water reactors.

I believe Mr. Ackerman said it would be virtually impossible to

do so. To the contrary, these light-water reactors will produce

weapons-grade nuclear material and, in fact, according to the

Stockholm International Peace Research Institute, North Korea’s

light-water reactors, when they come on line, will accumulate plutonium

and spent fuel at the rate of about 490 kilograms per year.

That translates to about 100 bombs per year. Prior to the 1994

Agreed Framework, the most that people were expecting North

Korea could produce from the other reactor was about 12 bombs

per year. So we are actually putting North Korea in a position to

accumulate more nuclear weapons material.

It isn’t speculation. The light-water reactors won’t

produce plutonium until they operate. That, of course, hasn’t happened yet.

Specifically 490 kilograms per year.

Yes, that is the facilities at Yongbyon and Taechon.

Yes.

Yes, that is the point precisely.

Just so you have the opportunity to ask Dr. Perry precisely,

this report is dated 1996 from the Stockholm International

Peace Research Institute, a left-of-center analytical group if I understand

it correctly.

Yes. What they say is that North Korea will not

produce any more plutonium until its light-water reactors operate,

no sooner than 7 to 8 years. That would be dated from 1996. After

the light-water reactors startup, North Korea will accumulate plutonium

in spent fuel at the rate of about 490 kilograms per year.

Because this quantity is so large, they go on to add, North Korea

will need to provide nuclear transparency to insure that diversion

does not occur.

That is an argument that possibly could be made, but

it is unfortunately the fact that North Korea currently possesses

material sufficient to make a nuclear weapon, and possibly two of them.

I don’t know the answer to that question.

If I might respond to that same question, I believe it

will be Dr. Perry’s testimony or his response to that question, if it

is the same he gave in the Senate yesterday, that he is confident

that most of that food is getting where it is supposed to go. I lack

that confidence, and neither of us has any evidence. The truth is

that we have expressed concerns, that is to say people have expressed

concerns to us. We have received expressed concerns from

Koreans who say that Kim Jong II is using food as a means of control

over the population, that the rationing of food is conducted in

such a fashion as first to give support to the million man army,

and North Korea has a 1 million man army on a population of

about 22 million. Second, it is also given to preferred Communist

Party members. It is not, I think, logical to expect Kim Jong Il not

to use such a valuable resource in a starving country other than

to maintain his own control. Doctors Without Borders have expressed

concern and, in fact, at one point withdrew from the program for this reason.

The U.N. World Food Program itself has been a source of similar

complaints. When I met with Kim Kye-gwan, the Vice Foreign Minister

of North Korea, and asked him—and the Chairman was also

in that meeting—and asked him whether or not the United States

would be permitted to monitor this aid in North Korea, or at least

European countries in whom we could repose some confidence, he

said no, it would violate North Korea’s sovereignty. So we are

through food, through fuel oil, through the $5 billion nuclear reactors,

providing a great deal of wealth to the regime in North Korea.

Now we will expand that to include business and trade without any

expectation other than that it will be used to strengthen the Stalinist regime.