Thank you very much, Chairman Thomas, Senator

Robb. In the interest of time, let me just submit my full statement

for the record and just give you a few thoughts, if I may. And

then I would be happy to take your questions.

First of all, I would like to underscore that we at the Department

of Defense stand by what Ambassador Kartman has just laid out.

One of the benefits of the intensive deliberations and negotiations

that have taken place, not just with the North Koreans, but with

all the other countries in the region, has been that they have been

undertaken with very close interagency cooperation. And Ambassador

Kartman has worked very closely with my deputy and others

in the interagency community to ensure that we have a very able

team effort.

My statement lays out clearly, Mr. Chairman, the steps that the

United States has taken, principally since 1994, to improve our security

status and our capabilities on the Korean Peninsula. In fact,

I do not think there is any other area in the world that we have

put as much effort in terms of enhancing our deterrence. And that

is based on one principal perception, at least from our perspective

at the Department of Defense. And that is that any hope, the hope

of diplomacy, rests on the reality of our deterrence.

And our deterrence, Mr. Chairman, Senator Robb, on the Korean

Peninsula, I can assure you is quite strong. Our capabilities there

are very credible. And our partnership with the ROK and our closer

consultations on security matters with others in the region has

grown considerably in the last several years.

Let me just say that immediately after the missile test, Secretary

Cohen asked me to go to the region. And what I thought I would

do is just give you a few brief insights from close discussions in

Beijing and Japan. In China, we met with senior officials both in

the military, intelligence and the foreign policy community. We

made very clear that we were grateful for previous support that

China had given us. But we have also made it clear that now is

the time to increase efforts behind the scenes directly with North

Korea to ensure that North Korea comes back to the table in terms

of the Four Party agreement, and ceases activities that are contrary

to peace and stability, that are seen as provocative and undermining

of confidence, such as the missile test.

In Japan, I must tell you very clearly that our Japanese allies

and friends saw this missile test as a direct national security

threat to Japan, a very, very serious matter. And I must tell you

that the United States shares these concerns fully with our Japanese

counterparts. Not only are we in close consultations with our

Korean friends, I think as Chuck has indicated—the Korean Foreign

Minster will be in Washington for meetings with Secretary

Albright and other officials tomorrow—we are also in close consultations

with others, particularly Japan.

Next week, in New York, the Minster for Foreign Affairs and Defense

in Japan will meet with Secretary Albright and Secretary

Cohen. At that meeting, for the first time, the United States and

Japan will launch a dual, bilateral effort to enhance our cooperation

on tactical missile defense systems, BMD cooperation. We

think that will be an important sense of our commitment to ensure

peace and stability. And being the most technologically sophisticated

countries in the world, we have high confidence that our cooperation

will bear fruit in this regard.

In addition, I think as you know, we have been involved over

many years in terms of deriving what are called defense guidelines,

which will enable the United States and Japan, working with

Korea, to be able to respond to security challenges in the Asian-Pacific

region. And our hope is to be able to move ahead with those,

as well.

So let me just conclude that the period that we are in now, Mr.

Chairman, is a very intense one. We are having probably the most

serious, deliberate, around-the-clock deliberations with our allies

and our interlocutors in North Korea in the recent period.

Mr. Chairman, Members of the Subcommittee, I welcome the opportunity to represent

the Department of Defense in this hearing on US policy toward the Korean

Peninsula.

I would begin my statement by emphasizing that in a time of uncertainty about

the ultimate outcome of tensions on the Korean Peninsula, the 44-year old US alliance

with the Republic of Korea serves as a bulwark against any forces that would

seek to disturb the existing peace. The stability fostered by this close security relationship

has benefited not only the US and South Korea, but has also permitted

much of the Asia-Pacific region to pursue economic growth and democratic development.

In deterring aggression from an often unpredictable and highly-militarized North

Korea, the US has helped create an environment in which Asian states could pursue

a development course compatible with American values and beliefs. This is particularly

true in the case of South Korea. As a result, the security alliance between the

US and the Republic of Korea is more than a treaty commitment—it is a close, mutually-

beneficial partnership built on a shared stake in democracy and free markets.

Our alliance is an essential element of the strategy for achieving our longstanding

security goal—a non-nuclear, democratic, and peacefully reunified Korean Peninsula.

Even after the North Korean threat passes, the US will coordinate fully with

the ROK to maintain a strong bilateral alliance in the interest of regional security.

The need for a combined US-ROK military command and force structure to protect

our common values is more compelling than ever. Today the United States and

South Korea confront twin security challenges on the Korean Peninsula—deterrence

of armed conflict and preparation for crises short of war.

On the first challenge, North Korea’s large conventional military forces continue

to threaten the security of the Republic of Korea. Two-thirds of its 1.1 million military

personnel are positioned within 100 kilometers of the Demilitarized Zone, with

a substantial artillery force capable of striking Seoul with little advance notice. In

addition, as North Korea demonstrated by its recent missile launch, it possesses

missiles that not only range the entire Peninsula but reach far beyond it as well.

The US and ROK continue to focus their security cooperation on deterring the use

of this military capability, whether in an all-out attack on South Korea or in a more

limited military provocation.

At the same time, deteriorating economic conditions within North Korea and a serious

food shortage rooted in the structural failure of the North’s agricultural management

system raise questions about future developments in the North. In this setting,

it would be irresponsible for the US and ROK not to consult closely and be

prepared for a range of contingencies that could occur on the Korean Peninsula. The

North Korean state and its security apparatus still exercise absolute control over

their country and show no sign of loosening their grip. But the US and ROK cannot

ignore the possibility, given the trajectory of North Korean domestic developments,

that potentially destabilizing conditions could arise in the North in the form of famine,

massive refugee flows, or other disturbing scenarios. The US and ROK would

seek to address such situations in a way that was least disruptive to regional stability

and to resolve them at the lowest level of tension possible.

Without a close defense alliance between the US and South Korea, we would not

be able to respond effectively to these challenges to our security interests. It is also

important in a time of transition and uncertainty that we give no signals to North

Korea that the calculus of the US-ROK security relationship, which has served us

so well, is changing. We will continue to strongly counter any perception in

Pyongyang that it can drive a wedge between the US and ROK on security issues.

US-ROK combined forces are well-equipped and prepared to deter and, if necessary,

defeat aggression. But maintaining capable and ready forces is a constant

process. The US is engaged in ongoing efforts to modernize its Peninsular force of

about 37,000 military personnel with the latest military equipment. These measures

have been complemented by ROK efforts to outfit its military with the most modern

tanks, armored personnel carriers, self-propelled howitzers, and fighter aircraft. The

ROK commitment of resources to defense has been impressive, even during the current

economic crisis. The ROK maintains 670,000 personnel in uniform and has

pledged more than $1 billion in cost-sharing support for US military forces on the

Peninsula from 1996–1998.

Our security objectives in Korea have been greatly aided by diplomatic breakthroughs

during the past several years. In particular, the engagement process begun

by the US-DPRK Agreed Framework, which froze the North’s nuclear program at

Yongbyon and its destabilizing potential, has defused the most immediate source of

tension and deflected what could have been a military confrontation with North

Korea. With the agreement and our underlying security commitment, we have preserved

stability on the Peninsula and created an opening to pursue the Four Party

peace proposal and other issues of concern, such as missile proliferation and the recovery

of Korean War remains. The Agreed Framework has also provided greater

access to North Korea and some North-South contacts. At the same time, the Agreed

Framework has been under stress as a result of irresponsible and provocative North

Korean acts. We are determined to address these concerns with the DPRK and ensure

its full compliance with the agreement.

Permanent peace on the Peninsula will be accomplished only through diplomatic/

political means, and the Agreed Framework and Four Party peace proposal begin

that process by laying a groundwork for uncoerced reconciliation between South and

North Korea. We must recognize, however, that these are only initial steps in a long

and difficult course. Our desire for a long-term, stable peace on the Peninsula will

not be realized overnight, but that reality does not diminish the value of current

initiatives toward North Korea. The alternative could very well be direct conflict

with the North, which would take a devastating toll in lives arid resources. For this

reason, it is important for the US to back the Agreed Framework, and the international

consortium that implements its provisions, with the resources that will permit

it to succeed.

Until North and South Korea find a peaceful solution to their differences, we remain

committed to the terms of the 45-year old Armistice Agreement. The Armistice

Agreement and its mechanisms must remain until an appropriate arrangement supersedes

them. Only South and North Korea can resolve the division of Korea;

therefore, replacement of the Armistice by an appropriate agreement can come

about only through direct dialogue between South and North Korea. The US, while

addressing near-term security concerns, has worked hard to promote such a dialogue.

Mr. Chairman, can I add one point to that, if I

may, please?

It is an extremely fair question to ask yourself:

What have we bought with this agreement since 1994? And I think

actually to answer that question appropriately, you have to look

not just, as Ambassador Kartman has, in terms of the actual specifics

of the Agreed Framework, but what has transpired in the region,

as well. And I just want to underscore that very quickly.

First of all, our capabilities on the Korean Peninsula since 1994

have grown considerably, number one. Second, our policy coordination

now, which is very important, between the United States and

the ROK is probably better than it has been at any time, in terms

of our relationship.

Our policy coordination, the ability to work with

the Koreans, the South Koreans, is better than it has been since

the Korean War. And our ability to cooperate among the three nations,

the United States, Japan and Korea, about possible situations

in North Korea has grown considerably.

At the same time, since 1994, North Korean economic performance,

North Korean economic capabilities have declined precipitously.

And indeed, we believe that large segments of their population

are going without enough food. And so when you look at this

agreement, on balance, there are other things that you have to take

into consideration in terms of the surrounding region and the position

of the United States, which I would argue, since 1994, has increased

significantly.

Again, I would depict the benefits associated with

the Agreed Framework in a slightly more subtle way. And I look

at it in terms of our ultimate capabilities, in terms of what we

would do if in fact we faced a situation where the use of force was

imminent or necessary on the Korean Peninsula. We are in a much

better situation today, Mr. Chairman, than we were 5 years ago.

We will be probably, I would argue, in a better situation as the situation

develops on the Korean Peninsula.

I think, as we have stated, each time the North

Koreans have undertaken one of these reconnaissance or insurgent

campaigns in South Korea, we have made very clear that these

steps are provocative, they undermine confidence, they are a threat

to South Korea’s well-being. We believe that our ability to cooperate

with South Korea on these challenges has increased as a consequence.

Ultimately, on balance, as you face a choice between diplomacy

and war—and in fact, I think in some respects when you trace a

lot of these policy decisions down to their root, when you find yourself

in that determination, I would, on balance, suggest to you that

where we are today, that the best course is to continue this diplomatic

course of action for the time being.

I frankly am not aware of a statement from the

State Department saying that they were surprised.

Well, let me say that I do not want to parse the

words of the Secretary of State. I think what she might have

meant—and I would leave this to Ambassador Kartman—is that

she is surprised by the fact that North Korea would do this thing.

However, I am not so sure—and I think as you were briefed, as

well, Mr. Chairman—we followed the preparations of that event

about as closely——

Absolutely not. Yes, I mean I can tell you, and

I think as you know, we every day looked at pictures of this

launching site. I do not want to reveal—in another setting we can

go into it.

Let me just say that the intelligence community

is meeting as we speak, actually to prepare a briefing for your committee

tomorrow, about what we think we know about the event.

And what you reported at the start of this hearing about NASA’s

finding some small body in space, we do not have that information

yet. In fact, what we have is an assessment from our intelligence

community that the event is still under very close scrutiny.

What we do know—and this is what is important—is that this

is a sophisticated, multistage, medium-range ballistic missile. It is

quite sophisticated. It can carry a payload. And it has very real security

implications for the region.

Now, whether it is a satellite or whether it was a missile test is

an additional question. But what we know so far is enough for us

to be very concerned.

I have not. My radio in the car does not pick up

the patriotic hymns that are apparently being beamed from the—

I think it is 47 megahertz.

Yes, that is correct.

Mr. Chairman, can I also make one other point?

And I just beg a quick indulgence here.

When you ask about whether about whether the Agreed Framework

is the centerpiece of all we are doing in North Korea, that

really is not the case. We are involved—if you recall, last year, you

had a very important hearing in which you asked: Are there security

implications for the profound economic and humanitarian crises

that we are facing in North Korea? And of course the answer

to that is a very firm possibly.

And so one of the things that we are doing—our traditional challenge

from North Korea is deterrence, all right, of a kind that, you

know, we worry about millions of people rolling over the DMZ, the

kinds of threats Ambassador Kartman is talking about, chemical

weapons, SCUD’s, and long-range artillery. But let us also recognize

that we face other potential kinds of challenges, security challenges—

a humanitarian crisis, instability.

So, simultaneously, while we are working obviously this very

open and very public diplomatic line, we are also involved in a wide

variety of policy efforts not just with North Korea but with China,

with Japan and with Korea, which we believe ultimately and fundamentally

improves our situation in the Asia-Pacific region.

Senator Robb, everything that Ambassador

Kartman says about these developments this week we would agree

with. It looks as if they have retired the jersey of the Office of the

President, and he will assume the——

Yes. He has assumed these new responsibilities

of this group that we know actually quite little about.

The other thing, however, that is important to underscore is that

not only does it appear that Kim Jong-il relies increasingly on the

military for his advice and for sort of decision making authority, not

just perhaps on foreign policy, but domestic policy—we know that

the military is more involved in picking crops and other aspects of

making what is still working in North Korea work—but it is also

true that over the last 3 years he has managed to replace all

those—or most of those older generals and marshals that were put

there by his father. And so all these guys that are now in senior

positions of authority, at least on paper, owe their patronage to

him.

And so I just want to underscore that of all the developments

that we have seen, all right, in the last week and a half to 2 weeks,

the ones that we are most concerned about publicly and the ones

that we are talking about, this uncertain facility that we want to

explore, the missile tests, I will tell you that privately the one that

I am perhaps most worried about is a potential change in the way

that decisions are taken in North Korea that highlights military

perspectives more than others.