Thank you, Mr. Chairman. I appreciate being invited

to discuss this issue with such a distinguished panel.

We should ask from the outset why we are all here today talking

about North Korea. When you look at North Korea from any distance,

you realize that it is a small, resource-poor, and very unpleasant

country to deal with. Nicholas Eberstadt and Richard

Ellings have just released a book today on North Korea that points

out its population is roughly the same as Romania, and its international

trade is essentially the same as Nepal’s. Yet we deal with

North Korea as though it is an issue of great international significance,

and it is.

But the reason that we deal with North Korea is because of its

threats and because of its misery. Many have called for the Bush

administration to forthwith resume direct negotiations with North

Korea, presumably on the same basis that the Clinton administration

had pursued its relations with North Korea. North Korea itself

has called for a resumption of the talks, although North Korea was

just a few years ago, extremely reluctant to enter into talks with

the United States. There has been deep congressional disapproval

of past policies that needs to be attended to before talks can resume.

As you know, I served on the staff of the House Policy Committee,

and I would like to point out some of the actions taken by

the House in recent years. In the 1999 DOD Authorization Act, the

Congress called for the creation of a North Korea policy coordinator. That began the ‘‘Perry process.’’ In the year 2000, both

Houses of Congress passed the North Korea Threat Reduction Act,

which required Presidential certification that North Korea had

complied with the Agreed Framework and the nonproliferation

treaty’s commitments.

In this past year there have been efforts, one called Gilman-Markey,

a bipartisan House of Representatives effort requiring that before

nuclear components could be transferred to North Korea there

should be a positive action to approve a transfer on the part of the

U.S. Congress. This passed the House of Representatives by a vote

of 374 to 6. There was also a provision called Cox-Markey prohibiting

U.S. indemnification of companies involved in the North Korean

Nuclear Project. That measure was approved by 334 Members

of the House of Representatives to 85.

There have been significant concerns voiced in this process: No.

1, the danger from plutonium that would be produced by light

water reactors, No. 2, the larger question of enriching the regime

with aid even while the regime’s people suffer severely, and No. 3,

the question of whether the Agreed Framework, which provides for

light water reactors, can actually be implemented—that is, whether

it is technically possible to carry out many of the provisions of the

agreement.

Talks can always be supported in general terms, but advanced

coordination, as I think Ambassador Gallucci just pointed out quite

articulately, is always essential for the process. Furthermore, we

must be careful not to give the regime increased leverage as we

push for a resumption of negotiations. In a context of a policy that

has, at best, produced mixed results with North Korea, it is highly

valuable for the new administration to conduct a thorough and

wide-ranging policy review.

The current hiatus in direct negotiations between North Korea

and the United States is not merely an opportunity for the Bush

administration to get its act together. It is also an opportunity to

test North Korea’s commitment to fulfill the rhetoric of cooperation

that we have heard so much of in the last year. Furthermore, it

is an opportunity to test the theory that guided so much of the

Clinton administration’s approach. If North Korea in fact recognizes

that because of its economic difficulties it must pursue reform

in order to survive, that commitment on their part should be reflected

in their behavior today.

During this time of review by the Bush administration, however,

Pyongyang has been sending signals that it seeks to control the

pace and substance of negotiations. In a sense, this is not surprising,

and it is certainly consistent with Pyongyang’s negotiating

strategy over the long term. North Korea has emphasized that it

can turn the heat higher or lower, as it sees fit, in moves that appeared

generous but was actually subtly coercive.

For example, Pyongyang said that it would continue its informal

commitment not to test missiles until 2003, depending, it said, on

the outcome of the Bush administration’s review. This is an understandable,

perhaps even clever ploy, but it should be recognized as

an attempt to pressure both the Bush administration and South

Korea. In South Korea, the implication is that the North’s apparent

cooperation may end when Kim Dae-jung leaves office.

Similarly, the flap over the Bush administration’s statements on

verification and reciprocity has also been instructive. The notion

that there should be verification and reciprocity is not new. In fact,

both terms were used by Secretary Perry in the Perry report, but

this past January, when now-Deputy Secretary of State Richard

Armitage mentioned the need for these two objectives, North Korea’s

official news service released a stream of invective.

What matters now is thoroughness. The thoroughness with

which the Bush administration addresses the issues, and the ongoing

consultations with our allies and friends must send strong signals

to Pyongyang about the character and operational sophistication

of the Bush administration. Lengthy consultations have already

begun, and I would argue they have been quite successful.

It would be irresponsible, and, in no uncertain terms, unresponsive

to the Congress if the Bush administration did not take a good period

for the review of our policy toward North Korea.

Does that bell mean my time has expired? Thank you very much.

I will end on that note, then. Thank you.

Mr. Chairman, I appreciate your invitation to appear before the Senate Foreign

Relations Committee today to discuss our nation’s policy toward North Korea. Although

I have, in the past, served at the Pentagon and on Capitol Hill, I am not

here to speak on behalf of the administration, the Department of Defense, or the

House of Representatives. As you mentioned, I have written a book about North Korea’s

negotiating behavior that tracks their negotiating strategy over the five decades.

I think there are very clear patterns that emerge from this study that can

inform our discussions of how to proceed with North Korea, and I appreciate the

opportunity to share some of my conclusions with the Committee.

First, we need to recognize how crucial the process of negotiation is to the North

Korean regime. Few nations put such strong emphasis on the importance of negotiation

as a principal instrument of foreign policy. When other nations have done so,

it has often been because they entered negotiations from a position of strength. The

North Korean regime, however, pursues negotiation because of its weakness. Simply

put, negotiation is North Korea’s means of obtaining benefits its system cannot provide.

It stands to reason that North Korea’s leaders have more intimate familiarity

with the failures of their own system than we do. They are unenviably aware of the

conditions Dr. Vollertsen has described to us today. We talk of the regime’s impending

collapse, but they have been burdened with a failing system for fifty years. Their

behavior at the negotiating table reveals their fears about their system.

The negotiating record shows that the North Korean regime has been overwhelmingly

preoccupied with three principal concerns: the regime’s tenuous hold on its

people’s loyalty, the dismal performance of its disastrous national economic policy,

and the need to enhance the regime’s survival by maintaining military capabilities

that can threaten foreign rivals. Coming to the negotiating table has always been

a means for addressing these severe systemic problems that plague the regime.

North Korea therefore manages negotiations to accomplish 3 objectives: (1) to give

esteem and power to the regime thereby strengthening its oppressive control over

its people; (2) to obtain economic benefits that the regime’s Socialist economy is unable

to produce; and (3) to buy time and obtain resources for the development of

threatening military capabilities. The North’s military capabilities can then be used

as a means of internal control and international extortion.

Because North Korea has little to bring to the negotiating table, it adopts negotiating

stances that perpetually increase its leverage for subsequent negotiations. In

*How Nations Negotiate,* Dr. Fred Ikle´ observed negotiations are not merely a question

of reaching an agreement or not reaching an agreement. There are always at

least three options at play, and one of the most important is developing the prospects

for future bargaining. This is where North Korea excels. Even when no agreement

is reached at the negotiating table, North Korea generally ends up in a stronger position than when it started the negotiations. In fact, it quite often extracts benefits

from the other side merely for participating in the negotiation itself.

Despite the prevalent characterizations of ‘‘lunacy’’ in its negotiating style, North

Korea has been extraordinarily consistent in how it accomplishes its objectives. It

has repeatedly initiated negotiation by appearing to be open to fundamental

changes in its policies, used its willingness to participate in talks to demand preconditions,

benefits and concessions, and terminated discussions when it has gained

maximum advantage, blaming the lack of agreement on the other side of the table.

It manages negotiations so that its adversaries experience stages of optimism, disillusionment,

and disappointment. Adversaries’ disappointment, in turn, paves the

way for North Korea to create an illusion of fresh cooperation in the initial stage

of the next negotiation. It’s all about increasing North Korea’s leverage in the next

round of talks.

It is worth recalling that not long ago, the United States and South Korea had

to cajole North Korea to attend talks on missile proliferation by offering to give

North Korea humanitarian aid—primarily food. Now, North Korea complains that

the new Administration is dragging its feet on proceeding with such talks. Little,

if anything, has changed in North Korea’s position or its resistance to restraints on

missile proliferation. It certainly is no less committed to driving a hard bargain; but

it knows that complaining about some perceived slight enhances its leverage by increasing

pressure on the Bush administration.

Almost anything can be used to enhance leverage. A case in point is the anticipated

visit of Kim Jong Il to South Korea in reciprocity for Kim Dae Jung’s courageous

visit to Pyongyang last year. The people of South Korea fervently hope to see

it happen, and the outpouring of emotion if the visit goes well will be unparalleled.

Knowing this, the North Korean regime delays and hedges regarding the proposed

visit in order to increase leverage in its dealings with South Korea. It is on again,

off again, depending on how Pyongyang wishes to express pleasure or displeasure

with South Korea.

Meetings between North and South Korea have diminished since Vice-Marshal

Cho Myung-rok visited Washington last October. At that time, North Korea shifted

its attention from Seoul to Washington. Nevertheless, Pyongyang recently found a

way to put additional pressure on Seoul and Washington. It said that North-South

dialogue would be ‘‘suspended’’ until after the Bush administration completed its review

of North Korea policy.

It is common for analysts of North Korea to discuss the gestures that North Korea

made during the past year as though they indicated fundamental changes in North

Korea’s character. The hospitality, even charm, of Kim Jong-Il has been viewed as

evidence that North Korea wishes to change its offensive behavior. Kim Jong-Il’s facility

in handling policy discussions, the joint North-South appearance at the Olympics,

the exchange of visits between Pyongyang and Washington, and the January

visit of Kim Jong Il to Shanghai have all been applauded. Pictures of smiling faces

from Pyongyang accompany news of increased diplomatic ties between North Korea

and Italy, Australia, the Philippines, Canada, Germany, Belgium, the UK, Netherlands,

Spain, New Zealand, and Turkey. Many hope these developments signal a reversal

of years of tension on the Korean peninsula.

At the same time, North Korea’s gestures could be inspired by the opposite purpose—

to strengthen the regime, increase its oppressive control over its own people,

and purchase time and resources for the North’s expanding military machine. Although

there is certainly a different tone in the regime’s approach to other nations,

there has not been a commensurate change in North Korea’s internal or international

policies or actions.

Unfortunately, North Korea’s management of similar periods of ‘‘opening’’ in the

past suggest that North Korea can be expected to reverse its approach whenever

it concludes it has gained the maximum benefit for its show of charm. There were

two earlier promising periods surrounding agreements in which North Korea was

believed to be ‘‘opening up’’ toward the outside world: the South-North Communique´

of July 4, 1972 and the agreements signed in 1992, one on denuclearization and another

called the basic agreement on North-South relations.

The 1972 communique´ produced agreement on principles that were largely identical

to the agreement reached a year ago. In the euphoric words of the 1972 agreement,

‘‘unification shall be achieved through independent efforts without being subject

to external imposition or interference’’ and ‘‘through peaceful means, and not

through the use of force against each other.’’ A ‘‘South-North Coordinating Committee’’

(SNCC) was established ostensibly to carry out the objectives of the agreements.

At Kim Il-Sung’s insistence, however, the implementation terms required

subsequent agreement by both parties. Thus, North Korea retained an ability to

block the enforcement of agreements it had already agreed to.

In the thirteen months following the 1972 communique´, the two Koreas convened

six North-South Coordinating Committee meetings, seven Red Cross plenary meetings,

and numerous related subgroup meetings. Despite the electrifying momentum

behind the communique´ and the succeeding months of contact, however, all the

talks failed when the North tired of the process and stopped attending meetings.

Another period of euphoria followed the important North-South documents signed

in 1992. The 1992 agreements were considerably more detailed than any that have

been signed between the Koreas before or since. In them, the North and South

agreed not to ‘‘test, manufacture, produce, receive, possess, store, deploy or use nuclear

weapons’’ and to ‘‘use nuclear energy solely for peaceful purposes.’’ Both sides

agreed they would ‘‘not possess nuclear reprocessing and uranium enrichment facilities,’’

and would verify denuclearization of the Korean Peninsula through mutual inspections.

This formal, signed document stated that South and North Korea would

Like the implementing arrangements of the 1972 communique´, however, the implementing

arrangements for the 1992 agreements required subsequent mutual

agreement and therefore could be blocked by North Korea. The promising 1992 accords

also came to naught.

Advocates of a conciliatory approach to North Korea suggest that times have

changed, and North Korea’s economic worries require North Korea to take a more

accommodating approach to the outside world.

The logic behind the Clinton administration’s approach to North Korea rested on

a pragmatic belief that the pressure from economic and political collapse would naturally

bring about change in North Korea. One of the administration’s leading experts

on Korean issues, Ambassador Charles Kartman, observed in 1997,

Madeleine Albright, on

her first visit to Korea as Secretary of State, said the prospects for peace on the

Korean peninsula depended

and concluded,

While Clinton administration officials claimed North Korea’s difficulties would

bring about reform, however, they supported efforts to ameliorate the difficulties

that presumably spurred the impulse to reform. They contributed food and economic

assistance to North Korea that made the Stalinist country the largest recipient of

American aid to Asia. U.S. aid to North Korea went from zero before the Clinton

administration to more than $270 million annually, a total of almost $1 billion over

President Clinton’s two terms.

This huge amount of aid was meant as a humanitarian gesture that would lure

North Korea out of isolation, but when the regime controls the means of distribution,

any benefit received from the outside can actually enhance the regime’s oppressive

control. The regime itself determines that food supplies, health services, and

commercial investments are provided to those who are loyal and withheld from

those who are not. On September 29, 1998, the charitable organization Medecins

Sans Frontieres (MSF-Doctors Without Borders) withdrew its aid workers from

North Korea because it observed the regime ‘‘feeding children from families loyal to

the regime while neglecting others.’’ As the defector, former General Secretary of the

Korean Worker Party Hwang Jang Yeop explained, ‘‘North Korea controls the entire

country and people with food distribution. In other words, food distribution is a

means of control.’’ External assistance also permits the regime to redirect its people’s

labor and resources from addressing desperate economic problems to strengthening

military capabilities.

While American policymakers believe collapse is inevitable, the policy of intervening

to cushion collapse may yet prove it is not. The danger in providing aid to

North Korea is that the United States will bear responsibility for prolonging the regime’s

survival. In economic, political, security, and moral terms, shouldering the

burden of helping the North Korean regime survive is a dubious objective for American

foreign policy.

North Korea, not surprisingly, does not subscribe to the notion that its collapse

is inevitable. As deplorable as it may seem, North Korea’s national objective is not

to ensure its people’s survival; it is to ensure the regime’s survival. In this regard,

weaponry is a more important investment than agriculture. Just as the North Korean

regime can subvert the world’s humanitarian impulses to reinforce its oppressive

domestic policies, it can also take advantage of the world’s confidence in security

arrangements to gain time and resources to develop new military technology.

The Clinton Administration signed, on October 21, 1994, an informal bilateral arrangement

called the Agreed Framework. It promised to deliver to North Korea

light water reactors nuclear electric generating plants—in exchange for a freeze on

construction of North Korea’s nuclear energy facilities.

One of the terms of the 1994 agreement called for the United States and North

Korea to

In spite of the North’s commitment, after 1994, North Korea developed an

extensive network for the proliferation of its missile technology.

It was able to sell missile technology to Pakistan, Libya and Iran. Pakistan put

the North Korean technology to use in its launch of the *Ghauri* missile, a *No-dong*

derivative, on April 6, 1998. Security analysts believe that test launch tipped the

scales in India’s decision to test nuclear weapons a month later. Iran used the North

Korean technology in its launch of a *Shahab-3* missile, a *Taepo-dong* derivative, on

July 21, 1998. The *Shahab 3* has a range of 1,300 kilometers, allowing it to

After the tests, Iran and Pakistan returned

important test data to North Korea that was useful in North Korea’s own missile

program.

The degree to which this technical exchange enhanced North Korea’s capabilities

was revealed at the time of the fiftieth anniversary of the founding of the North

Korean Workers Party. On August 31, North Korea launched a three-stage *Taepodong*

*1* missile 1,380 kilometers across Japan and into the Pacific Ocean.

The missile launch was an undeniably threatening act. It revealed with absolute

clarity that North Korea had attained a new capability to threaten every part of the

territory of two American allies—Japan and South Korea as well as the nearly

100,000 American troops stationed there. Asia’s fragile confidence in America’s ability

to ensure security, which keeps South Korea from developing long-range missiles

and Japan, Taiwan, and South Korea from developing nuclear capabilities, was

called into question. The North Korean regime had apparently decided that lulling

the West into a false sense of security was no longer as advantageous as threatening

it.

Contrary to the Clinton administration’s view that the agreed framework heralded

a more accommodating North Korean approach to the outside world, North Korea

actually undertook to develop a more threatening military posture after signing the

agreed framework. North Korea’s nuclear program did not stop, according to testimony

the Director of Defense Intelligence gave before Congress in 1998. In fact, by

the time of the Perry report in 1999, the Clinton administration could no longer

claim that the ‘‘verifiable freeze’’ Under Secretary Slocombe had trumpeted in 1994

was still in effect.

The Speaker of the House of Representatives commissioned a special study of how

North Korea’s behavior had changed in the years following the Agreed Framework.

That report concluded ‘‘the threat from North Korea has advanced considerably over

the past five years, particularly with the enhancement of North Korea’s missile capabilities.’’

These findings were corroborated by CIA Director George J. Tenet when

he told a Senate hearing on February 7, 2001, ‘‘the North Korean military appears

for now to have halted its near-decade-long slide in military capabilities and is expanding

its short- and medium-range missile arsenal.’’

In the context of a policy that has, at best, produced mixed results, it is highly

valuable for the new administration to conduct a thorough and wide-ranging policy

review. The current hiatus in direct negotiations between North Korea and the

United States is not merely an opportunity for the Bush administration to decide

what course it will pursue as it sorts out these and other issues surrounding American

policy toward North Korea. It is also an opportunity to test North Korea’s commitment

to fulfill the promise contained in the rhetoric of cooperation that has flourished

in the year since the summit between Kim Dae Jung and Kim Jong Il. Furthermore,

it is an opportunity to test the theory that guided so much of the Clinton

administration’s approach. If North Korea recognizes that it must change in order

to survive, that effort should continue even without direct talks between Washington

and Pyongyang.

During this time, Pyongyang has been sending signals that it controls the pace

and substance of negotiations. It has subtly emphasized that it can turn the heat

higher or lower as it sees fit. In a move that appeared generous, but was actually

coercive, Pyongyang said it would continue its informal commitment not to test missiles

until 2003, depending on the outcome of the Bush administration’s review. This

is an understandable, perhaps even clever, ploy, but it should be recognized as an

attempt to pressure both the Bush administration and South Korea where the implication

is that the North’s apparent cooperation may end when Kim Dae Jung leaves

office.

Similarly, the flap over the Bush administration’s statements on verification and

reciprocity was also instructive. The notion that there should be verification and reciprocity in arrangements with North Korea is not a new idea—in fact, both terms

were used in the Perry Report—but in January when (now) Deputy Secretary of

State Richard L. Armitage mentioned the need for reciprocity and verification,

North Korea’s official news service unleashed a stream of invective. At about the

same time, when Secretary Powell pointed out Kim Jong Il is a dictator, something

Madeleine Albright had also done, Pyongyang pushed back by calling Powell a

‘‘gangster-like criminal.’’ It is valuable to recognize the relative *unimportance* of

such posturing.

What matters is the thoroughness with which the Bush administration addresses

the issues surrounding policy toward North Korea. The questions raised about the

technical feasibility and proliferation dangers of proceeding with the construction of

the light water reactors are among the questions that demand a serious re-assessment.

For the Bush administration to have proceeded without a substantive review

would have sent the wrong signals throughout Asia and weakened America’s prestige.

Moreover, the depth of on-going consultations with our allies and friends is sending

strong signals to Pyongyang about the character and operational effectiveness

of the Bush administration. Lengthy, collegial consultations between officials of the

Bush administration and the government of the Republic of Korea have already

demonstrated how strong and resilient the foundation of the U.S.-ROK alliance is.

An additional meeting of American, Japanese and Korean officials is planned next

week. The conclusions of the Bush policy review are expected to be announced in

June. Nothing meaningful has been lost during this review, but much has been

gained. This period of review is laying the foundation for the difficult tasks that lie

ahead in dealing with North Korea.

If I might, I would offer an alternative view. I do

not think that the initiatives of President Kim Dae-jung have been

reciprocated by North Korea. I think that North Korea has manipulated

every situation to obtain additional leverage, and as Ambassador

Laney said, there has been a reduction in contacts in the last

6 months, and it goes back to a precise moment. It goes back to

the moment when Vice Marshall Cho came to Washington.

At that point, North Korea was able to shift its focus from North-

South talks to North-Washington talks. The U.S. always has a better

purse to offer North Korea, so North Korea will always seek to

deal directly with the United States when they can push South

Korea out. In the same way, they will deal with South Korea when

they think they have reached a standstill with the United States,

which is what they did last April.

Yes. There was definitely a difference in tone, but

very little in terms of specifics.

Mr. Chairman, if I could respond to that, I would

like to point out that there is an imbalance—and this follows up

on Senator Nelson’s comment as well—there is an imbalance in the

kinds of things we and North Korea bring to the negotiating table.

They bring promises, pledges, courtesies, kindness, handshakes,

and we respond with food aid, economic assistance, the removal of

sanctions and light water reactors, things of that nature. We are

providing hard, durable benefits the North Korean regime can use,

and they are satisfying us with things like visits and commitments,

as you point out, extending to 2003 the moratorium that they will

keep in place as long as they feel like it. It is an easy commitment

for them to make, and there is a hidden bit of leverage in it, because

they will say that if they can take offense at anything we do,

they are no longer bound by their own pledge.

Well, Mr. Chairman, with all due respect, I have tremendous

regard for the achievements of Ambassador Gallucci in

his negotiations with North Korea, and in a sense it is not nothing.

But it is the absence of something, and we need to keep that in

mind.

It is the absence of their offensive behavior on the development

of nuclear capabilities. It is the absence of their violation of previously

existing agreements. It is the absence of their refusal to

allow inspections, and the replacement of them with a promise that

in the future they will allow the inspections that they had agreed

to in previous agreements with the IAEA 5 years earlier. What we

are getting out of the North Koreans is a change in their own policy.

Essentially that is not nothing, but it is not really something.

It is a change in something that they could have decided to do correctly

the first time.

When they behave this way we need to keep it in mind, because

we need to understand the quality of the regime and how it gets

advantages, and we need to recognize that what they get in return

is definitely something. What they get is a new lease on life. It

means U.S. money and U.S. efforts, U.S. diplomatic sponsorship,

and sometimes direct aid that allows the regime to continue to

exist and continue to oppress its people. That is very definitely

something that we have to be concerned about.

Well, I cannot remember, I confess, all of Ambassador

Laney’s points, but I thought many of them were extremely

good and right on target. I think that there is a certain sophistication

that we have to bring to our dealings with South Korea on trilateral

North Korea, South Korea, and U.S. issues.

Quite often we have to restrain ourselves from rushing in to replace

the role that South Korea would have in its dealings with

North Korea, so we should maintain some distance both to be true

to ourselves here in America and to represent what I think most

American people think about North Korea, and to allow South

Korea to obtain the benefits of the relationship directly to

Pyongyang.

In an ideal world, Pyongyang would be forced to look to the

South for all kinds of diplomatic and economic benefits. We need

to encourage them to do so, and yet they will use every opportunity

to deal directly with the United States, because they would rather

play in our arena than to deal with the South. The South has tools,

cultural tools, language tools and, I think, intelligence tools that it

can use in dealing with North Korea that we should respect and

allow to function fully, and I think that agrees with many of the

things that Ambassador Laney said.