Thank you very much, Mr. Chairman.

I wanted to start by talking about the North Korean economy.

I think there is this sort of popular impression that the North

Korean economy is sort of this vast wasteland of work camps and

starving people, and while that is certainly true for a big part of

the country, there is also a relatively stable economy in the capital.

There is a class of ruling elites that are doing fairly well. And you

mentioned in your response to Senator Johnson briefly about the

impact that our sanctions have had on holding back luxury goods

from that class of individuals that has seemingly been pretty

resistant to the type of poverty that has struck the rest of the

nation.

Can you talk a little bit about the state of the North Korean

economy today? Can you talk a little bit about our relative success

or lack of success in trying to change the calculus for the ruling

elite based on their economic status and any new tools that may

be at our disposal to try to change that?

No. That was the first question.

The second one would be this. So to what extent is food aid an

actual tool to recalibrate their strategic interests? We have certainly

had success in these temporary agreements by exchanging

food aid for concessions on their nuclear program, but of course,

as we saw with the Leap Day Agreement, it can blow up within

months.

Is this a real pressure point in negotiations, or

have they just used this as a means to sort of delay and delay and

postpone?

Thank you.

And then one last question on China, and you may have responded

to this in response to Senator Menendez. But in particular

to what Senator Rubio talked about with regard to the arms race

that could develop in the region should they get full nuclear capacity,

what does China think about that? I can understand that they

could say, listen, we can control the North Koreans if we continue

to be responsible for 70 percent of their economy. Even if they do

get nuclear capacity, we can deal with that. But they have to

understand that the balance of power in the region dramatically

shifts if all of a sudden 10 years from now or 15 years from now

there are three or four or five nuclear powers in the region. Is that

a bright line for them? Do they view that as a serious threat?

Thank you, Mr. Chairman.

Ambassador Joseph, let me just follow up on that very important

point. I asked a version of this question to Special Representative

Davies.

I tend to agree that possibly the only thing that brings the Chinese

to the table is the fear that there really does become a nuclear

arms race in the region. And we sort of cavalierly throw around the

inevitability of nuclear arms races in the Middle East and in that

sector of the world as well without any, I think, true understanding

of all of the barriers that would stand in the way of that happening,

particularly in a place where we hold a lot of cards with

the other players in the region.

So you maybe just answered this, but you talk about applying

real pressure to China, but without China feeling that they lose

control of the nuclear situation in the region, what cards do we

have to play there?

And I guess the second question is, Is there any chance that we

do lose control of the nuclear capabilities of the region? Is there

any real chance that the Japanese and the South Koreans do

change their disposition and decide to remove themselves from our

nuclear umbrella and develop their own capacities, or is that not

realistic?

Let me ask sort of the same version of that

question to the other two panelists. Do you agree that the thing

that China fears most is the nuclear arms race, and what are your

thoughts on whether that is a real concern?

Is that their primary concern?