Thank you very much, Mr. Chairman and Senator

Lugar. It’s an honor to be before you today. I want to associate

myself with each of your statements and thank you for holding this hearing today.

As you mentioned, Senator Kerry, although the United States is

decisively engaged in critical historic developments in the Middle

East, it’s extraordinarily important for every element of the U.S.

Government to send a message to the world that we recognize that

we have global interests and that there are critical issues that are

playing out in Asia. And the United States remains consequentially

involved in these developments. If you look at the 21st century,

this will be a region and an era of remarkable opportunity for the

United States in Asia. And we must keep our focus in Asia as we

go forward, even with dramatic developments playing out in the Middle East.

I want to also say how grateful I am to be here with my friend

and colleague Steve Bosworth and Bob King. Unlike occasionally in

previous administrations, I think we have tried to approach extraordinarily

challenging issues with a very high degree of confidence

and collegiality, and I think you will hear that in our testimony today.

I would ask that my full statement be submitted for the record.

And I would just very quickly make some opening comments to

give you both, and others, the opportunity to ask questions and to

perhaps go into details as we go forward.

Let me just also thank both of you for your opening comments

about New Zealand. As you indicated, I was with a team of Americans,

both on the private side and also government officials, in

Christchurch during the devastating earthquake, which has destroyed

a large part of this lovely historic city. I have to say, during

this tragedy we were able to witness firsthand the remarkable fortitude

and courage, and indeed humanity, of the people of New

Zealand. And I just want to commit to you both that the U.S. Government

will do everything possible to support New Zealand, a

country which we are again developing a very strong relationship,

in making their way through an enormous challenge, probably the

biggest crisis ever to hit New Zealand, in their history.

My primary job today, Senators, is to put the North Korean situation

in a larger regional context and give you a sense of how we

approach our overall strategy in the Asian-Pacific region. I’ll just

skim through some of the key elements and principles as we go forward.

I have to just underscore that one of the great benefits of our

Asia policy is that we are able to build on a remarkably strong bipartisan

consensus about what it takes to be successful in the

Asian-Pacific region. I think the Obama administration has recognized

that and has sought to build on a succession of successful elements

in our overall approach to the Asian-Pacific region.

At the top of that list is continuing to build and maintain very

strong bilateral security ties and treaty alliances; and that’s with

Japan, South Korea, Australia, our friends in Thailand and the

Philippines. Currently, I think it would be fair to state that we are

enjoying the strongest bilateral relationship that we’ve ever enjoyed

with South Korea. I think our ties are remarkable and that

the very strong relationship, both between our two leaders and in

our bureaucracies and between our peoples, have allowed us to deal

with the extraordinary provocations that you have, I think, rightfully

underscored, Senators, when it comes to North Korea.

In addition to these security and political ties, we’ve also sought

to strengthen our overall engagement in Southeast Asia and

ASEAN. Clearly that will be a region of growing importance to the

United States in the period ahead. We have sought to pursue a

consistent and principled engagement with China. At the core of

that set of discussions has indeed been North Korea. There are

some areas of consensus, and we have had areas of disagreement.

We have sought to make a very strong case to China that they

need to play a more active role in diplomacy with North Korea,

along the lines that you have described.

We are also committed to playing a larger role in the international

institutions that are growing in Asia, including the East

Asia summit. President Obama will attend the first East Asia summit

as a—first East Asia summit of an American leader—later this

year, in Bali, in Indonesia.

We’re also committed to maintaining a strong and robust military

presence in the Asian-Pacific region, that we provide security

and stability for a region that is the engine room of the global economy.

And that role continues to be essential. And then, frankly, the

Asian-Pacific region continues to look at the United States as a key

player in the economy and the macroeconomic issues in the Asian- Pacific region.

We are committed to engaging openly and consistently in the

trade agenda of Asia. I think, as you know, we will be submitted,

shortly, the Korea Free Trade Agreement for consideration to the

U.S. Congress. And obviously, we are involved in very consequential

diplomacy associated with the TPP, which will be, if successful,

one of the most important trade agreements in Asia in many years.

These form the overall basis of our approach to Asia.

And I must say that, despite the tremendous opportunities that

we see in Asia, that have become part of our popular discourse, one

country, indeed, stands out as an outlier—and, in fact, an impediment—

to the region’s promising future: the DPRK, North Korea.

And the DPRK’s brazen attack on the South Korean corvette

*Cheonan,* which you have both referred to, in March of last year,

its recent disclosure of a uranium enrichment program, its shelling

of Yeonpyeong Island, with civilians stationed there, that resulted

in a large loss of South Korean life, coupled with the *Cheonan* sinking

and its ongoing human rights violations, underscore the threat

that North Korea’s policies and provocations, including its nuclear

and ballistic missile programs and proliferation activities, pose to

regional stability and, indeed, global security.

We are committed to addressing these issues through an active

and determined diplomacy, using all elements of our policy at our

disposal, with all the parties involved.

You stated at the outset, Senator Kerry, that our goal must be

to break the cycle. And that is, indeed, what the United States is determined to do.

I look forward to exploring the various elements that each of you

have laid out in your opening statements in the discussion subsequently.

Thank you both very much.

I would say so, Senator. In fact, I think one of the

things that has animated China’s positions on North Korea in recent

years has been a concern about stability in North Korea. And

they have taken steps to strengthen their ties militarily, at the

party level, and economically with the regime’s elite. I think it

would be fair to say, though, that, in some of our discussions with

our Chinese interlocutors, they, too, have expressed concerns about

developments in North Korea.

I would just add one thing to that, Senator, if I

could. You had the opportunity to visit with President Hu Jintao

when he visited Washington not long ago. In the intensive diplomacy

surrounding his visit and the release of the United States-

China joint statement, one of the central issues of our discussion

was the developments on the Korean Peninsula.

And it’s clear that the recent revelations associated with the alleged

UEP program in North Korea have caused anxiety in Beijing.

And they acknowledge that, for the first time, in our joint statement.

It is the case that China takes very seriously the 2005 joint

statement, whereby North Korea has made specific commitments

about what it’s prepared to do in the nuclear realm. And Chinese

interlocutors view actions that North Korea has taken with regard

to this program as being inconsistent with their declarations associated

with the 2005 agreement.

Can I just—also, if I could, Senator, just to add

to that. I think it would be fair to say that North Korea is probably

the most heavily sanctioned country in the world. As Ambassador

Bosworth has indicated, we have a fairly elaborate set of steps that

we are taking in a variety of countries.

And I would point to a number of successes that perhaps do not

get enough attention. In the last year, a number of states who had

previously never been involved in, shall we say, interdicting or

helping us with the transfer of illicit cargoes from North Korea to

sites either in Asia or in the Middle East have assisted us in turning

back shipments. We’ve also been able to target some specific

entities that are involved in providing hard currency to elite groups

around the leadership. And our evidence suggests that, in fact,

many of these efforts do indeed bite and have created some difficulties,

overall, for the leadership.

I think it’d be fair to say that there is more to be done and that

this is an issue that we engage actively on, particularly with our

friends, not just in Japan and South Korea, but also in China. As

we speak right now, we have a senior team in China discussing

these very matters.

Thank you, Senator. I appreciate the question.

I think it would be fair to say that, in the past, most of North

Korea’s proliferation activities have affected the Middle East. But,

in the recent period, they have increased substantially, we believe,

the provision of certain conventional technologies—small arms and

also some missile components—to Burma, in strict and clear violation

of U.N. Security Council resolutions. We continue to monitor

other allegations closely, associated with illicit activities between

North Korea and Burma.

This is a subject of enormous concern. And we have worked

closely with a number of countries in Southeast Asia to assist us

in establishing a greater degree of confidence about illicit transfers,

largely by ship, coming from North Korea.

This is one of those areas that Ambassador Bosworth has indicated

that we’d be pleased to perhaps engage with you in private

session. I will tell you, we’ve had some successes, but this is an

enormously challenging problem. And, in fact, North Korea, in

many of these areas, has demonstrated itself, that they are a determined

proliferator. And, as Ambassador Bosworth has indicated,

this is at the top of our list, in terms of our overall concerns.

Well, thank you, Senator. I would associate myself

with the comments of Ambassador Bosworth.

I will say that it is among our most difficult intelligence challenges,

to understand what goes on. And I would say that it’s not

simply the survival of the regime; I’d be more particular. It’s the

survival of the family, of Kim Jong-il and its very, very narrow

group of people at the very, very top of the system.

And indeed, they have practiced internal brutality of a kind that

we’ve seen in very few places globally. And the level of isolation

that their population generally experiences is probably unmatched

anywhere else in the world. And that is a very determined effort

on the part of the leadership.

And I will tell you, one of the interesting tensions that exists, I

think, between China and North Korea is that for years China has

attempted to encourage the leadership to open up economically, to

practice a form of, shall we say, authoritarian reform of the kind

that the Soviet Union—that China practiced after Deng Xiaoping

came to power. And I think they have been very discouraged by the

fact that North Korea has essentially chosen not to follow that

path. It is still an extraordinarily isolated country.

And I think that the general prism that Ambassador Bosworth

laid out, which is to try to think about every step they take as part

of a larger strategy to try to maintain and secure the leadership

of Kim Jong-il and his chosen successor.

Senator RISCH. I understand the proposition that they want to

stay in power and they do everything they can—that’s their single

objective. But, you know, really, what they do on these brinksmanship

things doesn’t really mesh with that, because, I mean, if

you wanted to stay in power, what you’d want is to keep the seas

calm and keep things the way they are. Instead, they go out and

they sink a ship or they do an artillery attack on South Korea.

Why would you do that if you truly did want to keep things just

exactly as they were? I mean, it——

Can I, Senator, just take one other shot at that?

I like very much the way Ambassador Bosworth laid this out. But,

I will say, it was only a few years ago that a number of people,

who, for instance, were looking at some of the developments in

Libya, thought that it would be impossible to create any kind of

program whereby a very secretive but determined program that

Gaddafi was undertaking in the nuclear realm would be stopped.

But, through purposeful diplomacy in the Bush administration, we

achieved that. And just imagine the circumstances today in Libya

if there was a nuclear dimension. There’d be—it’s tremendously

dangerous now, but it would be horrifically so if there was an

added nuclear dimension.

So, I think that the diplomacy aimed at this is a worthy goal,

overall. And I think that you have to take it in pieces. And one of

the most important elements here is on the matter of proliferation,

as Ambassador Bosworth indicated.

I will also say that, you know, North Korea is one of the most

militarized states in the world. And so, it not only has the nuclear

program that we have been discussing, but it has one of the largest

conventional forces, including artillery, that is arrayed just above

the DMZ within easy, and unfortunately, ready striking distance of

one of the largest cities in the world: Seoul. And so, it has other

means at its disposal to be able to provide some form of deterrent.

I think the truth is that the risks, particularly on the proliferation

side, are so great, and the concerns associated with other elements

that are transpiring inside the country suggest that this sort

of determined approach to diplomacy is the right course for the United States.

Can I just add to that, Senator?

Just, as part of this, we would also be in very close coordination

with our colleagues on Capitol Hill, who have a very keen interest

in this and have provided very useful context for how to think

about this overall program.

I just want to underscore that no decisions have been made. We

are still in the study phase. And we are taking this matter very

seriously. And we’re in close coordination with our South Korean

colleagues, as well.

I will say, one of the key conditions that I find most powerful is

that the packaging—and I’ve seen them myself and would love to

send one up to your office—makes very clear to the recipients that

this food assistance comes from the United States, from the people

of the United States. And so, it’s very clear, impossible to disguise,

that when this food is distributed, it is well understood that it

comes from the benevolence of United States people.

Let me just add to that, if I could, Senator, very quickly.

I think it’s very important for Americans to understand the tremendous

forbearance and, frankly, the courage that the South

Korean, particularly President Lee Myung-bak, have demonstrated

in the face of repeated outrageous provocations. And the fact that

they have been calm and not responded in a retaliatory way is a

tremendous testament to their leadership.

And I would probably even go further than what Ambassador

Bosworth has said, although I agree with everything he has said,

that very few countries in the world have demonstrated how much

they are prepared to work with the United States, not just on the

Peninsula, but globally. South Korea’s foreign assistance, their

commitment to Afghanistan, to what we’re doing globally, is remarkable.

They are emerging as a key player on the international

stage. They have played an important role in the G20. I think this

emerging partnership between the United States and South Korea

in this new phase is one of the most important success stories of Northeast Asia.

So, I would say, overall, our diplomacy and our approaches are

reinforcing. And I think one of the reasons why South Korea was

able to respond so carefully to these provocations was indeed the

strength and confidence they had of the relationship with the United States.

Thank you, Senator Lugar.

First of all, let me just underscore that we, in the U.S. Government,

have had a consistent policy that the recovery of remains,

the identification of Missing in Action, remains an extraordinarily

high priority for our activities. And we’ve demonstrated that in

Southeast Asia in other conflicts, and also on the Korean Peninsula.

I think it would be fair to say that we view the program in North

Korea as a critical humanitarian effort. I think the North Koreans

view it largely as an opportunity to raise hard currency. We are

prepared, under the right circumstances, to resume this overall effort.

I think, particularly when it relates to the interactions that we’ve

had with China over the course of many years associated with the

North Korean—excuse me, with the Korean war—let me take that

question for the record, and I will get back to you directly with

where this specifically stands. I remember it very closely from my

time working in the Department of Defense, but I’m not sure where

it stands currently. And I will get back to you directly.

Can I say, Senator, I don’t think—that would be

the kind of calculus that a Western government that heeds the

needs of its people would perhaps take into account—I don’t think

the North Korean leadership believes in these kinds of tradeoffs. I

think they are committed to these programs that you have described.

And they have demonstrated, historically, that they are

prepared to allow enormous suffering. Very substantial component

of its population suffered through starvation in parts of the 1990s.

And so, the choice really, here, is whether these people are allowed

to starve. And that’s, frankly, a humanitarian issue, really not a

one of political discourse. Can I just—— Can I just——

Sorry, Senator. I didn’t mean to—I would say

the—what I find interesting, in interacting with Korean friends, is

I think they have both a bond—a deep, historical, cultural bond—

but it coexists with a deep alienation. So, I think what’s challenging

about the Korean Peninsula is that, for most, particularly

South Korean citizens, they feel both—both an attraction, a deep

recognition of historical kinship, and cultural sameness, but also a

deep alienation. And spanning that gap will be enormously challenging

in the future.