Thank you, Senator Lugar. It’s my honor to be here, as well.

First, let me extend my compliments on the particular focus of

this hearing. Rather than another kind of broad effort to understand

the entirety of the North Korean conundrum, I think this

focus on breaking out of the cycle of provocations is extremely useful,

particularly given the fact that there has been a marked shift,

over the last several years, that warrants the attention of our government

and this committee in particular.

I would start by talking a little bit about where we stand. The

previous panel identified several specific recent North Korean

provocations which have been the cause for our attention. But, I

think if you step back and look at the last 2 years alone in a

broader context, there’s a very disturbing trend.

For example: In early 2009, you had a North Korean long-range

missile test and a North Korean nuclear test, both of which resulted

in a very concerted response from the United Nations Security

Council. If North Korea goes that route again, it’s a pretty

well-known and well-traveled road through which the international

community will respond.

Following that, there were notable inter-Korean incidents, including

the killing of a South Korean tourist in the Diamond

Mountain tourist zone; and in November 2009, what the South

Koreans call the Battle of Daecheong, another ship-to-ship incident

on the West Sea. In both of these cases the likely South Korean

response now is quite clear. And so, in some respects, the door on

those types of provocations are closed, as well.

Of course, the events of last year are very well known. Without

the option to confront South Korea ship-to-ship, the North Koreans

proceeded to sink, in the dead of night, a South Korean Corvette,

the *Cheonan.* We have now spent 6 or 7 months developing very

strong antisubmarine warfare capabilities between the United

States and South Korea. So, again, in some respects, that option

is foreclosed to North Korea.

And yet, the fallacy remains that we are somehow deterring

North Korea when recent events would indicate that they’re just

moving on to the next provocation. In this context, something that

nobody expected came completely out of the blue, the shelling of

Yeonpyeong Island and the dramatic declarations of the week prior

about North Korea’s uranium enrichment program. Again events

which shocked the world and put us in the situation where we are today.

While recognizing that there has, at the same time, been a bit

of a pendulum-swing between North Korean’s inducements/offers

for talks, but also, at the same time, this gradual escalation, I

think, again, that the focus of this particular hearing is very useful.

How do you break that cycle of provocations, given the trajectory

that we see right now?

Rather than go down the rabbit’s hole of trying to interpret

North Koreans’ intentions or explain why they do what they do, I

think it’s useful, in the short time I’m allotted today, to focus on

what’s different. What has changed in the region in particular visa-

vis 2 or 3 years ago, that has either caused or perhaps enabled

this recent escalation of North Korean provocations? I will make

four short points in this regard.

First and foremost, I think the influence of, and the role of, the

United States in this cycle of provocations is less than we may

want to think. There is a very compelling narrative which holds

each North Korean action is somehow ‘‘all about us,’’ that they are

reaching out to us, that they want talks for us. Unfortunately, if

you look at the last 2 years, no matter what the action of North

Korea, whether it is a charm offensive or an attack or a provocation

of some other sort, they’re always presumed to be influenced

by the exact same motivating factor in North Korea, which is a desire

to talk to the United States. I would think that domestic developments

in North Korea, changes in inter-Korean relations, and

changes in Chinese behavior have far greater explanatory power,

in terms of understanding what is going on inside of North Korea right now.

The second major point I would make in this regard is precisely

that the primary driver of North Korean actions, statements, and

provocations is domestic, inside North Korea. I think Dr. Noland

will address some of that quite well, following my remarks. While

my assigned focus on the regional picture doesn’t allow me to dwell

on this in depth, I would point out that the more North Korean

actions are linked to domestic developments in North Korea, and

the more they’re linked, in particular, to the question of succession,

the less influence we have on those, as the United States.

As such, I think our time today is well served on focusing on

those areas where we do have greater influence. And I will spend

the bulk of my short time focusing on two developments in particular,

those in South Korea and those in China.

In that regard, the third point upon which I would focus is that

the biggest change in the region, over the last 3 years in particular,

has been a change in inter-Korean relations, and in particular a

change in South Korean policy toward North Korea. We had 10

years of progressive governments in South Korea; two successive

administrations who pursued a policy of sunshine and active—

proactive engagement with North Korea, where they became a

major source of fertilizer, of food, of economic assistance, and of

outright cash. That policy has changed dramatically. And so, in

many respects, I think what you see right now is that, after 3 years

of a remarkably principled and consistent application of the Lee

Myung-bak administration’s approach to North Korea, you’ve seen

North Korea vacillating back and forth between inducements or a

charm offensive on the one hand, and on the other hand threats

and outright provocations, in their openly stated attempt to break

the Lee Myung-bak policy.

The other factor that is related directly to South Korea has been

a historic and commendable amount of close coordination and cooperation

between the United States and South Korea, which also

includes Japan as a United States ally. Secretary Campbell addressed

this, but I think that that level of such coordination is historic.

I think it has served us very well. Unfortunately, as we are

consistent, that consistency itself has been a factor in the rising

cycle of North Korean provocations, precisely because of that pendulum-

swing. When one day inducements do not work, North

Korea returns to provocations. I’m sorry to say that the failure of

the North/South military-to-military talks, at the preliminary level

a couple weeks ago now, do not bode well for where we are going.

In fact, just in the last 2 days, we’ve seen a new round of North

Korean vitriolic and threats coming out. That pendulum-swing, in

some respects, is the very definition of the cycle. President Obama

has repeatedly declared his intention to break that pattern of behavior.

If we go back into negotiations in response to those threats,

then obviously we’re back in the cycle.

I would argue, in some respects, for the last 2 years, and from—

in the North/South perspective, for the last 3 years—that we really

have broken that cycle. That cycle, that Senator Kerry so eloquently

described, of us going back into negotiations in response to

this escalation, really hasn’t taken place. But, in that refusal to go

back to the cycle, there is the inherent risk of further escalations.

And I think that is the situation we are facing right now.

The final point I’ll deal with, really, is what I think is perhaps

the most important factor here, and the factor which has seen the

biggest change. That is a change in Chinese behavior. If you look

over the last 8 years, United States-China cooperation on North

Korea has been a major factor or a major selling point for the importance

of the United States-China relationship. During the bulk

of the Bush administration and the early months of the Obama administration,

such United States-China cooperation on North Korea

was, again, a highlight. We cooperated very well in response to the

missile tests in early 2009, and in the United Nations, in response

to the nuclear test in early 2009, as well, agreeing, together, on a

historic U.N. Security Council Sanctions Resolution in June 15, 2009.

Somehow, in the summer of 2009 or the early fall of 2009, that

changed, in terms of China’s perspective. And would argue that

China, as a nation, has always had three ‘‘no’’s, in regarding North

Korea: no collapse, no nukes, and no war. And they’ve always

tried to balance those three priorities in regards to the Korean

Peninsula. But, beginning, I presume, with the questions of Kim

Jong-il’s health, his stroke, succession, economic problems in North

Korea, Chinese leadership, I believe, has prioritized the question of

‘‘no collapse.’’ They are more concerned about collapse in North

Korea than the other issues.

As such, beginning in August 2009, China stopped cooperating

with us actively on implementing sanctions resolutions. And, if you

look over the last year and a half, they’ve been very proactive, in

public, in their support of the North Korean regime. One immediate

impact of that has been to encourage North Korea toward, I

believe, further negative behavior.

For example, even after the sinking of the *Cheonan,* the Chinese

leadership decided to double down on their bet on North Korea.

President Hu Jintao hosted Kim Jong-il, not just once, but twice,

and Chinese officials very publicly argued that theirs was the appropriate

approach. In late October, Chinese diplomats were almost

smug in their discussions with me about the rectitude of their

approach, saying that, because they had publicly backed Kim

Jong-il during this time of instability with a risk of collapse, that

there had been no more nuclear tests, there had been no missile

tests, and there had been no disruption of the G20 meetings in Seoul, in November.

Unfortunately for that approach, November of last year was a

very bad month. The North Korean revalation of a uranium enrichment

program, their construction of a new light-water nuclear reactor,

and the shelling of Yeonpyeong Island, I think, exposed to all

the impotence of, and the counterproductive nature of, the Chinese approach.

In a nutshell, I think that’s a fundamental factor. That’s something

that is very different than was the situation 2 years ago. And

that has to be addressed, as we look at how to break out of the cycle.

Let me just wrap up very quickly by looking at some of the implications

for policy. First and foremost, I would say that there’s a

need to stay the course. If we are out of the cycle, indeed, right

now, then the continued emphasis on close coordination and

cooperation with our primary allies in the region—in this case,

South Korea and Japan—is the foundation upon which any other

approach will go. Second, based on the strength of that approach,

we have to continue to convince China that its actions have been

counterproductive to the stability of the overall region; that by emphasizing

overly on avoiding a collapse in North Korea, they have

actually caused the risk of war in the region to go up, and actually

let the North Korean nuclear program to develop to a degree that it should not have.

Essentially, what we’re asking China to do is, not to abandon its

North Korean ally, but to recalibrate its prioritization.

I must say that the events in the Middle East in the last several

weeks probably have reinforced the negative behavior and negative

perceptions in China. And so, I’m not overly optimistic that China

will recalibrate its approach. I would say that if China does not do

that, I think, just as the President has said and Secretary Campbell

said today, it is incumbent upon the United States to make

sure that we work closely with our ally to respond to the provocations

as they come, again, as a way of breaking out of the cycle.

The final point I will make is that I do think there is a wonderful

roadmap for going forward, if we focus on it. During the summit

meeting, between President Obama and President Hu in January

of this year, there was only one paragraph in their joint statement

which was dedicated to North Korea. But, in that one statement,

three times they referenced the September 19, 2005, Joint Statement

of the Six-Party Talks. I think that’s extremely helpful, because

what it has done is define what ‘‘denuclearization’’ means, it

has defined the parameters of the six-party talks, and it has defined

precisely what you, Chairman Kerry, asked, in terms of:

What are the basic requirements of what North Korea needs to do

to come back to talks? I’m hopeful that such definition will lead us going forward.

And I’ll end my remarks there. Thank you.

The broader question of getting information into

North Korea is a very important one. While I would agree with Dr.

Noland about the utility of trying to do that on a government level,

the truth is, the real game is inter-Korean, at this point. In fact,

if you saw the media yesterday and this morning, there is considerable

North Korean angst about South Koreans sending weather

balloons over to North Korea with propaganda leaflets, which is

kind of a small scale way to do it. But, the greater factor is that

there are now 20,000 North Korean defectors living in South Korea

who are pumping back money and information to their relatives all

throughout North Korea; and probably double/triple that number in

China, doing something very similar. You now have information

flows in North Korea that you’ve never had before. And that’s a

fundamentally different dynamic than we were facing 20 years ago.

And it’s a destabilizing dynamic for the regime, which is, I think,

again, part and parcel, wrapped up with the succession and other

instability issues, an explanatory factor in looking at their recent provocations.

I think, to be very frank, the six-party talks are

really not about the talks themselves. They are about whether or

not we accept North Korea as a nuclear power. There is nothing

magic about a big, round table with 30 people convened around it.

The plenary of the six-party talks, itself, is a very inefficient format

for negotiating. But, the problem is that the only forum in which

we have a standing commitment, on North Korea’s part, to

denuclearize, unilaterally, is that September 19, 2005, Joint Statement of the Six-Party Talks.

As I mentioned, in my remarks—it might seem strange that both

President Obama and President Hu spent so much time focusing

on an arcane, unimplemented statement from talks which are mor-

ibund. And the reason is, in that statement, North Korea committed

to its companions in the six-party talks, the other countries

in the region, that they would abandon all nuclear weapons and all

existing nuclear programs, and return, at an early date, to the

IAEA and NPT. And the moment we say, ‘‘six-party talks are dead.

We’re giving up on them.’’ We have de facto recognized their assertion

that they are a nuclear power. We have granted them that status.

The fundamental challenge of negotiating with North Korea, no

matter what the forum, is ‘‘How do you deal with them when they

continue to assert that they will only negotiate a peace treaty as

a nuclear power?’’ They assert that because they are a nuclear

power, they want to negotiate as a nuclear power. Unless you secure

some type of a reference from them, disingenuous though it

may be, that they are willing to abide by that commitment, you

validate their claim to nuclear status. It’s a very difficult diplomatic

conundrum, because, while you can have talks about talks;

and you can exercise diplomacy, which, again, about which I think

we saw the previous panel refer to the efficacy and the necessity

of; but, in terms of formal negotiations, there is a Catch 22 there,

based on North Korea’s standing position, that we have to address.

I would just note that, here again, the real game is

inter-Korean. There is a very active civil society in Korea operating

both out of the borderlands on the Chinese border, but also out of

South Korea itself, which is specifically strategizing about how to

get information, in Korean, into North Korea. Obviously, again, per

the media reports in the last few days, this is something that’s of

great concern to the North Korean leadership.

Another interesting, kind of, factoid in this regard: The cell

phone provider in North Korea is Orascom, an Egyptian company

with close ties between Kim Jong-il and, of course, Hosni Mubarak.

As such, it will be very interesting to see how things play out with

that particular contract in the weeks to come.

There are, by my understanding, some 260,000 to maybe 300,000

cell phones in operation in North Korea right now; the vast majority

within Pyongyang, itself, and among the elite. But, that said,

such phones are an information transmission vehicle that did not

exist before, particularly among the elite, who are the most likely

to be disillusioned, in terms of recognizing the difference between

expectations and reality.

This is a very important factor, in terms of understanding where

North Korea’s likely to go in the near future.

I’ll start off with that, and the others can chime in, as well.

There has been a remarkable shift, in terms of how South Korea

views refugees or defectors coming out of North Korea, that is commensurate

with the shift in the Government in South Korea. During

10 years of progressive governments in Seoul, the national narrative

was all about cooperation, working with North Korea. And

so, defectors, particularly those with horrendous human rights stories,

coming over, kind of, didn’t fit well——

Within that narrative, and they didn’t

feel welcome, on a policy level. Obviously, there are still deep problems

of social integration for North Korean refugees integrating

into South Korean society. For the bulk of the 50-some-odd years

of national separation, the flow of defectors was so small that

South Korea could afford to give them large sums of money, stipends

to keep them living and educate them and get them jobs, et

cetera. In the last several years, that number has continued to

grow and this is becoming in some respects, an immigration issue

with all the budget consequences that are related to that, as well.

But, that said, I would think that, at least in my mind, compared

to 3 years ago the environment right now is much improved and

continues to be so depending on the level of flow.

I would very much agree with Mr. Carlin. It is difficult

to imagine almost any scenario where known factions in

North Korea taking over would make things better. If anything, the

instability and everything associated with that, would probably

make things worse, going forward.

That said, I’d like to take just a moment to talk about the

broader question that he was addressing, in terms of how you move

forward in facing that fundamental challenge of: ‘‘How do we deal

with a North Korea that has declared itself a nuclear power?’’ I

think the plan that Mr. Carlin outlined makes perfect sense if

you’re looking at North Korea in a vacuum. I mean, what he has

described to you is exactly what we would need to do if we were

to get North Korea, themselves, to decide that they eventually

wanted to give up the nuclear weapons.

But, unfortunately, as you rightly pointed out, Mr. Senator, that

we’re not dealing with North Korea in a vacuum. You’ve got a lot

of other countries in the immediate region, and the world writ

large, that are looking very closely at the lessons we are drawing

from North Korea. And, at this point, North Korea is the only country

ever to have pulled out of the NPT and the IAEA. And, if a

country of North Korea’s status and demonstrated past behavior,

as the previous panel talked about in quite great detail, talking

about nonproliferation—if a country with a demonstrated past of

proliferation, of selling any weapon system it can get its hands on,

with all the human rights and other issues we’ve discussed here—

if they can become recognized as a nuclear power, even a de facto

recognized as a nuclear power, who can’t? What country in the

world today is not more acceptable to the international community

as a nuclear power than North Korea?

So, unfortunately, this is—while absolutely agreeing with Mr.

Carlin that this is what the North Korean leaders may want, I

think that the reality that the government today is faced with, and

that future governments will be faced with, is that it’s extremely

challenging to move forward with North Korea because of their

statements and their nuclear tests. We are in a very different stage

of these negotiations than we were maybe 15 or 20 years ago.