Well, thank you very much, Mr. Chairman.

I know I express the appreciation of all of your colleagues on this

committee for your work during the recess, in Pakistan. We appreciate

your stamina and your good counsel there.

Mr. Chairman, we are grateful for the safe return from New Zealand

of Assistant Secretary Campbell, Senator and Mrs. Bayh, and

others who were in that country at the time of the recent earthquake.

Our thoughts and prayers go out to the injured and the

families and friends of those who died in this tragic event.

I also want to greet, especially, Ambassador Steve Bosworth.

And, as a point of personal privilege, I simply want to recall that

we were together 25 years ago, at a time in which President

Reagan and Secretary George Shultz, very concerned about the

Philippines and the transition there, and the hopes for democracy,

asked a delegation, that was headed by the late Jack Murtha and

myself, and included you, Mr. Chairman, Senator Cochran of Mississippi,

and other business and religious leaders, 26 of us, who

fanned out across the islands, under the tutelage and counsel of a

very distinguished veteran Ambassador. It was a turning point, in

my judgment, for democracy in Asia, and certainly, perhaps, for the

world. It stimulated a great deal of interest in our own hemisphere

as to what occurred in that momentous time in the Philippines.

So, we welcome you, again, 25 years later, sir. And you’re still at it.

Today’s hearing will consider ways of dealing with North Korean

provocations that have heightened tensions in Northeast Asia. The

sinking of a South Korean ship in March 2010, the shelling of

South Koreans last November, and the possibility of another

nuclear test, illustrate the cycle of North Korean provocations.

In the broader context, today’s hearing also provides an opportunity

to examine the Obama administration’s plan for addressing

North Korea’s weapons of mass destruction.

In testimony before the Foreign Relations Committee in 2009,

Ambassador Bosworth stated, ‘‘If North Korea does not heed the

unanimous call of the international community and return to negotiations

to achieve the irreversible dismantlement of their nuclear

and ballistic missile capacity, the United States and our allies in

the region will need to take the necessary steps to assure our security

in the face of this growing threat.’’

While the administration has worked closely with South Korea

in response to various North Korean provocations during the last

2 years, it is less clear that the administration has developed a

strategy with the potential to dismantle North Korea’s nuclear

weapons program. It is also unclear whether addressing the security

threat from North Korea is sufficiently prioritized in our relationship

with China. I look forward to the insights of our panels on these questions.

Beyond the disposition of North Korea’s nuclear weapons program,

the United States and our allies must be devoting great

effort to preventing proliferation from North Korea. The North

Koreans utilize a network of trading companies to secure components

for the North Korean military complex. This web includes as

many as 250 trading companies extending to dozens of countries.

These same companies reportedly have been used to transfer North

Korean nuclear technology to other countries. The risk that sen-

sitive nuclear technology, weapons components, or even weapons

themselves, might be transferred out of North Korea for geopolitical

objectives or personal profit is an equal, if not greater,

threat than North Korea’s missile capability.

Instability within the North Korean leadership associated with a

transfer of power heightens these concerns, both because of what

the regime might do in a time of upheaval, and because individuals

facing a purge that could result in loss of personal income may be

willing to take greater risks for profit.

The United States and the global community pursue an array of

options, hoping to bring about change within North Korea and convince

the North Korean Government to eliminate its weapons of

mass destruction. Among those measures are economic sanctions.

Last year, I requested that the Congressional Research Service

assess the status and effectiveness of economic sanctions targeting

North Korea, specifically in reference to U.N. Security Council Resolution 1874.

CRS analysts determined that ‘‘Implementation has been uneven

globally and in cases has diminished over time. An important challenge

has been encouraging nations with substantial trade links to

North Korea—particularly China, but also a range of nations that

serve as transshipment points for North Korean goods, or that have

financial institutions that deal with North Korean entities, to implement

U.N. sanctions.’’ I invite any of our witnesses to comment

on the sanctions situation and provide insight on ways of enhancing

sanctions implementation. Mr. Chairman, I will submit the

CRS report in its entirety for inclusion in the record of today’s hearing.

I am pleased that Ambassador Robert King, the United States

Envoy for North Korea Human Rights issues, is in the audience

today, as you have mentioned, Mr. Chairman.

I would ask Assistant Secretary Campbell or Ambassador

Bosworth to elaborate on Ambassador King’s work and how it conforms

to the organizational matrix of the administration’s North Korea team.

Another point of ongoing interest for me is the POW/MIA issue

related to the Korean war. More than 8,000 Americans are listed

as missing. Until May 2005, the United States and North Korea cooperated

on a recovery program of the remains of United States

servicemen. More recently, the United States and China signed a

memorandum of understanding so that the United States could receive

information on Americans held in China during the Korean

war. I am hopeful that the Obama administration will forcefully

raise the issue of POWs and MIAs in future communications with North Korea.

The witnesses on our second panel possess remarkable experience

and understanding with regard to North Korea. Few Americans

have spent as much time on the ground in North Korea as Mr.

Carlin. Dr. Noland continues to provide helpful analysis on trends

in North Korea’s economy and food supply. Mr. Flake has unique

perspective on the regional dynamics and implications of events

within North Korea. I look forward to their collective assessment

of the present situation and recommendations on how we should

move forward. I thank the Chairman.

It’s a pleasure to be here with you, both of you, this

morning. And I look forward to a useful exchange of views and will

try very hard to respond to all of your questions.

Thank you, Mr. Chairman. One short question, sort of referring back to my

mention of the 8,000 Americans from the Korean war that are not

accounted for. First of all, is there any information on this matter

coming from the North Koreans? And, second, apparently there has

been some search, in Chinese military archives, as to who might

have been taken into China from North Korea during that conflict,

and perhaps some cooperation with the Chinese. On either front,

do you have information or an idea of whether this is being pursued?

As I mentioned in my opening statement, I asked the Congressional

Research Service to evaluate the implementation of U.N.

Security Council Resolution 1874, and they reported that implementation

with regard to the sanctions has been uneven globally

and, in cases, diminished over time. Now, in addition to that problem,

there is the problem of the trading partners and the actual or

potential proliferation of elements of the nuclear program to other

countries.

I would like for your comment on the Congressional Research

Service’s finding about the uneven or even diminishing application

of sanctions.

And the sending out by the North

Koreans, either for profit in the regime or personally, of elements

of the nuclear program.

Well, there were some allegations, for example,

that North Korean nuclear materials reached Syria at one point.

I’m just curious—maybe these are only elements that our intelligence

services are examining, but are there periodic reports, by

the State Department or by somebody, as to how the sanctions are

working? In other words, reports that detail, country by country,

what the nature of the cooperation is. What have we caught? What

got away? This sort of thing.

I do understand that, but I wanted to raise the

issue—— Because I think it’s a critical one,

not just in terms of our relations with North Korea, but in terms

of difficulties elsewhere in the world, where some of this material may wind up.

I’d like to inquire about North Korea’s work with

the Burmese military. There have been reports, from time to time,

that we have tried to dissuade a North Korean ship from reaching

a projective destination in Burma. But, what is the general consensus

as to where that relationship is? And how does it affect the

six-power talks or others in which Burma is not a part?

Well, I appreciate the sensitivity. Once again,

perhaps this could be more thoroughly discussed in a classified session.

Let me, finally, ask: Recently, a South Korean lawmaker suggested

the United States redeploy tactical nuclear weapons to

South Korea as a deterrent to North Korea. What is the perspective

of either of you on that suggestion?

So, as a result of that, you——

I thank you. Go ahead.

I would thank you for that report. Thank you, sir.

Mr. Flake, would you please proceed.

Well, thank you, Senator Risch. Senator Rubio.

May I—— Conclude the hearing by asking——

A few more questions?

Thanks very much.

Now, I’m curious—because I think both you, Dr. Noland, and Mr.

Carlin, have mentioned that at least some persons in North Korea

have access to information from the outside world, press accounts

of some sort—but, I’m curious what information you have about access

to the Internet and social media. To what extent are either the

young people, the middle-aged, or anyone in North Korea, on the

Internet or, beyond that, using social networking Web sites such as

Twitter or what have you? Is this something that’s just simply not

arrived in North Korea, or are the people who have this access so

embedded in the regime that we’re not seeing the same results that

we’re seeing in other regimes that have had some problems with this?

Mr. Carlin, do you have a comment on this?

To what extent can we help accelerate this access

through our broadcasts? You know, we’ve had hearings with

regard to our broadcasting mechanisms to China, for example, as

well as to other Asian countries, which have been extremely interesting.

And you’ve mentioned at least some ties with China and the

cell phone business. I’m just curious, along purely the information

line, the broadcasting line, what possibilities do we have utilizing

that, quite apart from the economic sanctions or the punishment

routes that we have employed?

Yes.

It would not appear to me that we have been

particularly aggressive in our own policies or our own organization

of this, but do you have any comments about that?

Yes, Mr. Flake.

Let me follow through on a comment that one of

you made, that there may be 20,000 North Koreans in South Korea

as refugees. In some past hearings we’ve heard that, by and large,

the South Koreans have not been particularly receptive of people

coming from North Korea. This may be a broad generalization, but

we perceived that South Koreans were by and large in favor of

unity in due course, but, at the same time, that they had a desire

to absorb only a few persons at a time in order to avoid, in their

view, inheriting all of the problems of North Korea. On the other

hand, given that now the disparity in terms of wealth and economics

between the two Koreas is so great, why wouldn’t the South

Koreans as a matter of policy, welcome more refugees from North

Korea in order to build more of a population that, in terms of either

communication or an interpretation of what’s occurring, would be

helpful to South Korea?

Yes.

Mr. Carlin, I’d like to ask, from your very vast

knowledge of the internal workings of North Korea: What are the

specific steps, if we were to have a bilateral talk or talks with

North Korea, that would advance the denuclearization situation?

Well, one of the reasons often given for the sixpower

talks is that they include Japan. And from time to time,

over, now, a couple of decades, quite apart from the last few years,

the Japanese, broadly, have indicated that they did not pursue nuclear

weapons because they had confidence in the United States

and our ability to work with them for their protection. This was

shaken, on occasion, when North Korea apparently fired missiles

that straddled Japan, or in some geographical formation. And they

came to us with considerable anxiety, asking ‘‘Where were you?

And how can we count on you?’’ and so forth.

Maybe the other powers involved, particularly Japan, perhaps

the South Koreans, have some problems with this degree of

patience. But, your feeling still is, given the regime problems, the

potential changes, and so forth, that there just are not persons

presently in North Korea that are prepared if the United States

asked, today, if we could sit down to get to that issue, except after

a good number of intervening steps and other issues.

What if—I would ask of any of you—a situation

occurs in which the regime succession does not work out quite in

the pattern that has been prescribed, and, in fact, just to use a cliche,

a military government of some sort succeeds this family situation?

What is your prediction as to how whatever leadership may

arise in that form would deal with the problems we’ve been talking

about? Is it simply more of the same? Are there any indications

that, as a matter of fact, such a government would have a different

outlook toward South Koreans, toward the Chinese, toward us,

toward nuclear issues?

Yes, sir. Mr. Flake.

Finally, I’ll——

Yes, Dr. Noland.

Well, my final question is: In the event of some

change, despite its cause, to what extent are extensive Chinese investments

in North Korea—we’ve already suggested there may be

some extensive South Korean investments—but, to what extent

would either party attempt to pursue protection of its interests? Or

are they large enough, in relationship to their respective economies,

to make that much of a difference? Do people just simply

take their losses and assume that this was the luck of the draw?

Well, I thank each one of you very much for your

statements, that are a part of the record, and for your remarkable

testimony and your response to our questions. I believe this has

been a very productive hearing, and you have certainly helped

make that the case.

Let me make a final statement. I ask consent that a letter written

by Ambassador Charles ‘‘Jack’’ Pritchard, longtime East Asia

expert and current president of the Korean Economic Institute, to

myself and Senator Kerry in preparation for this hearing, be submitted

for the record.

And the record will remain open for QFRs until

the close of business on Friday, March the 4th.

And I would add that, in addition to this report, a short opinion

piece, likewise, be included in the record.

And, at least, since no one is going to object——

I declare that this will be in the

record, to complete that record with our QFRs to be submitted until March 4.

Thank you so very much. We appreciate your coming.

And the hearing is adjourned. \030111-D.TXT