Thank you very much, Mr. Chairman. I have

some prepared remarks that I would like to enter into the record.

Thank you. So I will now proceed with the

summary, and then I am available to any and all of your questions.

Thank you very much.

I want to thank you for this very timely opportunity to update

the committee on recent developments on the United States’ policy

with respect to the DPRK, or North Korea. I will focus my opening

remarks on what we believe has been a very strong and unanimous

response of the U.N. Secretary Council on July 15 to North Korea’s

July 4th–July 5th missile launches and their ongoing nuclear programs.

I will then be prepared to address your questions on any

of the many issues that we have with North Korea.

The 15 members of the United Nations Security Council took

swift action to pass unanimously on July 15, a strong and binding

resolution, Resolution 1695, in response to North Korea’s launches

just 10 days earlier of a barrage of ballistic missiles, including a

failed long-range missile. Resolution 1695 is the first U.N. Security

Council resolution on North Korea since 1993. That, in fact, reflects

the gravity with which the world views North Korea’s missile and

nuclear programs, as well as the determination of the Council to

speak with one voice in condemning them.

The resolution condemns the multiple launches by the DPRK of

ballistic missiles. It demands the DPRK suspend all activities on

its ballistic missile program and return to its missile launch moratorium,

and it requires all member states, in accordance with their

national legal authorities and consistent with international law, to

prevent missile and missile-related items, material, goods, and

technology from being transferred to North Korea’s missile or

WMD programs, the procurement of such items from the DPRK

and the transfer of any financial resources in relation to the DPRK

missile or WMD programs.

In passing Resolution 1695, the U.N. Security Council stated it

was acting under its special responsibility for international peace

and security. The DPRK must now comply with the terms of the

resolution.

The administration is looking at moving forward with a number

of additional economic, counterproliferation, and diplomatic measures

in response to the launch and pursuant to the resolution. I

hope to be able to share details with you.

We will continue to step up our efforts under the Proliferation

Security Initiative to stop the movement of goods and materials related

to weapons of mass destruction. The resolution stressed the

importance of implementation of the Joint Statement adopted September

19, 2005, by all six parties. Resolution 1695 welcomed efforts

by council members and other states to facilitate a peaceful

and comprehensive solution through dialog, which the United

States, Japan, South Korea, China, and Russia are pursuing

through the Six Party Talks. The resolution strongly urged the

DPRK to return immediately to the Six Party Talks without precondition.

Resolution 1695 offers the DPRK a clear choice of two paths. One

will bring the DPRK under increasing international pressure and

isolation. The other offers a peaceful and diplomatic solution that

will benefit all parties—from the DPRK, the elimination of all of

its nuclear weapons and existing nuclear programs; from the other

parties, energy and economic cooperation with the DPRK, security

provisions, and steps toward normalization of relations subject to

bilateral policies.

We have in place the right approach with the right partners to

give the DPRK the basis to choose the path we believe firmly is in

its interests, the path to a better future for the North Korean people

and to a new relationship with the United States and the entire

international community. We are working with those partners now

to schedule meetings of the Six Party Talks as soon as possible.

Those conclude my opening remarks and I look forward to your

questions. Thank you.

Thank you, Mr. Chairman, for this timely opportunity to update the committee

on recent developments on United States policy with respect to the Democratic People’s

Republic of Korea (DPRK). My prepared remarks today will focus on the strong

and unanimous response of the United Nations Security Council on July 15 to North

Korea’s missile launches and to the North’s ongoing nuclear weapons programs,

United States enforcement action against North Korea’s illicit activities, and what

we are doing to ease the plight of North Koreans in and out of North Korea.

The 15 members of United Nations Security Council took swift action to pass

unanimously on July 15 a strong and binding resolution in response to the DPRK’s

launches just 10 days earlier of a barrage of ballistic missiles, including a failed

launch, which could have been a long range missile or an attempted satellite launch.

U.N. Security Council Resolution 1695:

Condemns the multiple launches by the DPRK of ballistic missiles;

Demands the DPRK suspend all activity on its ballistic missile program and return

to its missile-launch moratorium; and

Requires all member states, in accordance with their national legal authorities

and consistent with international law, to prevent missile and missile-related

items, materials goods and technology from being transferred to DPRK missile

or WMD programs; the procurement of such items from DPRK; and, the transfer of any financial resources in relation to the DPRK’s missile or WMD programs.

In passing Resolution 1695, the U.N. Security Council stated it was acting under

its special responsibility for maintenance of international peace and security. That

is a reference to the Council’s unique authorities under chapter VII of the U.N.

Charter, to take steps necessary for peace and security, which provides the authority

for the Council to adopt binding resolutions. The DPRK must now comply with

the terms of the resolution.

The administration is looking at moving forward with a number of additional economic,

counterproliferation, and diplomatic measures in response to the launch. I

hope soon to be able to share details with you.

We will continue to step up our efforts under the Proliferation Security Initiative

to stop the movement of goods and materials related to weapons of mass destruction.

The resolution stressed the importance of implementation of the Joint Statement

adopted September 19, 2005, by all six parties. Resolution 1695 welcomed efforts by

Council members and other states to facilitate a peaceful and comprehensive solution

through dialog, which the United States, Japan, South Korea, China, and Russia

are pursuing through the Six Party Talks. It strongly urged the DPRK to return

immediately to the Six Party Talks without precondition.

Resolution 1695 is the first U.N. Security Council resolution on the DPRK since

1993. Its unanimous adoption reflects the gravity with which the world views the

DPRK’s missile and nuclear programs, as well as the determination of the Council

to speak with one voice in condemning them.

In contrast, following the DPRK’s launch of a long-range missile in 1998, the

UNSC a month later issued a presidential press statement, which simply expressed

its concern over the launch and noted harm to the fishing and shipping activities

in the region. Following the DPRK’s launch of a Nodong missile in 1993, there was

no response from the international community.

The UNSC response this time was fast, strong, and unanimous. It unambiguously

reflects the common will of the international community to confront the DPRK on

its nuclear and missile programs.

Resolution 1695 offers the DPRK a clear choice of two paths. One will bring the

DPRK under increasing international pressure and further economic and political

isolation from the community of nations. The other offers a peaceful and diplomatic

solution that will benefit all parties: From North Korea, the elimination of all of its

nuclear weapons and existing nuclear programs; from the other parties, energy and

economic cooperation, security provisions, and steps toward normalization subject to

bilateral policies.

We have in place the right approach with the right partners to give the DPRK

the basis to choose the path we believe is firmly in its interest, the path to a better

future for the North Korean people and to a new relationship with the United

States and the entire international community. We are working with those partners

now to schedule a meeting of the Six Party Talks as soon as possible.

North Korea has engaged in illicit activities for decades. The DPRK calls U.S. law

enforcement and financial regulatory measures ‘‘sanctions’’ and asserts they are

blocking progress in the Six Party Talks. The United States will continue to take

law enforcement actions to protect our currency and our citizens from illicit activities.

The measures we have taken are targeted at specific behavior. Contrary to

North Korean assertions, these actions are not related to the Six Party Talks.

We had offered, at the last round of talks in November 2005, to explain to the

DPRK about the regulatory actions to protect the U.S. financial system from abuse,

but it did not respond to our offer until February 2006. On March 7 in New York,

a Treasury-led interagency team met with DPRK officials.

The team described the reasons for the September 2005 designation by the United

States of a bank in Macau, Banco Delta Asia (BDA), under section 311 of the Patriot

Act as a financial institution of ‘‘primary money laundering concern.’’ The team discussed

our ongoing efforts with authorities in Macau to resolve the issues that led

to that designation.

As stated in the Notice of Finding published in the Federal Register on September

20, 2005, BDA had been providing financial services for many years, with little oversight

or control, to a number of North Korean entities engaged in illicit activities,

including drug trafficking, smuggling counterfeit tobacco products, and distributing

counterfeit United States currency.

Our designation of BDA—which warns our financial institutions about doing business

with the bank—is producing encouraging results. Macau has adopted new anti-money

laundering legislation and compelled the bank to institute more effective internal

controls. United States law enforcement and regulatory agencies are working

with Macanese authorities to resolve the concerns that led to the designation.

U.S. regulatory and law enforcement measures to protect our financial system

from abuse are not subject to negotiation. We will continue to guard our financial

system in accordance with U.S. law.

The September 19, 2005, Joint Statement of the six parties contemplates, in the

context of DPRK denuclearization, discussions on a broad range of issues, including

trade and investment cooperation and steps toward normalization.

The North Korean accounts frozen by the Macao Monetary Authority total roughly

$24 million. The DPRK’s use of the Macanese action as a pretext not to return to

the talks—where benefits would dwarf what we’re talking about with BDA—raises

questions about how serious the DPRK is at this point about its commitment to implement

the September 19 Joint Statement and its willingness to denuclearize.

The United States is deeply concerned over the grave humanitarian and human

rights situation that exists within North Korea and over the plight of North Korean

refugees who have fled the country.

In concert with other countries and international organizations, we seek to promote

human rights in the DPRK. Additionally, we seek to improve protection and

assistance for refugees from the DPRK and are mindful of the important role of the

ROK in this regard.

We have been working with other governments and organizations to find ways to

respond to cases of individual North Korean asylum seekers.

We have recently resettled some North Korean refugees in the United States.

Under U.S. law and policy, in order to protect the applicants, their families, and

the integrity of the program, we do not comment on individual asylum or refugee

cases. Procedures to consider North Korean nationals for resettlement are the same

as for nationals from other countries. We will consider any North Korean brought

to our attention by the United Nations High Commissioner for Refugees (UNHCR),

United States Embassies and Consulates, and reputable nongovernmental organizations.

In all cases, host government concurrence is required for refugee processing

on foreign territory. We will continue to work closely with the Congress and with

the subcommittee as we pursue this important initiative.

The Department has worked to identify concrete ways to address the North’s

human rights abuses.

In August 2005, the President appointed the Special Envoy on Human Rights in

North Korea, Mr. Jay Lefkowitz. Since his appointment, Special Envoy Lefkowitz

has taken numerous actions to build international consensus for improved human

rights in North Korea and to increase North Korean access to outside information.

Currently, the State Department and other agencies are compiling a plan to expend

funds to protect refugees and promote the freedom of North Koreans—as

called for in the North Korean Human Rights Act of 2004.

For the past 3 years, the United States has cosponsored resolutions condemning

North Korea’s human rights abuses at the U.N. Commission on Human Rights. In

2005, the United States cosponsored an European Union-tabled resolution on DPRK

human rights at the U.N. General Assembly, marking the first time the issue had

been addressed by the body. The United States also provided $2 million to the NGO

Freedom House, an international campaign to raise awareness of the human rights

situation in North Korea. The United States has provided a grant to the National

Endowment for Democracy to support groups that monitor North Korean human

rights abuses.

In November 2005, the Secretary designated North Korea a country of particular

concern under the International Religious Freedom Act for its systematic, ongoing,

and egregious violations of religious freedom.

The United States has made clear to North Korea that discussion of its human

rights record will be part of any future normalization process.

That concludes my remarks, Mr. Chairman, and I look forward to your questions.

Well, Mr. Chairman, we are not seeking regime

change. We are seeking a change in this regime’s behavior.

Ultimately, what regime North Korea has will be determined by

the North Korean people. It is not for us to determine.

There is an argument—I have heard it too—that somehow with

a different regime, with a benign regime, with a friendly regime,

we would have an easier time negotiating this. Perhaps that is

true, but we have the regime that we have and we have to deal

with them.

We have made very clear that we have no problems dealing bilaterally.

What we are not prepared to do, however, is torpedo or push

aside the Six Party process. The Six Party process is one where all

the countries that are relevant are at the table. We cannot have

a situation where the United States somehow tries to solve this bilaterally

where important countries, such as South Korea, are left

to wait in the waiting room to see what happens, because at the

end of the day when we do reach an agreement we will have a

number of countries coming forward and playing a role in that

agreement.

For example, Russia has a lot of experience in dismantling nuclear

programs. Sir, I certainly do not need to tell you about the

efforts that we have had with Russia over the years to do that. So

we would look forward to Russia playing a very important role in

a post-settlement.

North Korea desperately needs energy and any conceivable energy

solution is going to require South Korea’s major participation.

So the idea that the United States can somehow do this bilaterally

is simply not true.

I would make one other point, that this barrage of missiles, these

seven missiles that were launched, that also validates the Six

Party process. Only one of those missiles could conceivably reach

the United States. Frankly, it did not get very far. But a number

of those missiles were ones that could conceivably reach Japan and

some of those missiles could only reach South Korea. In short, Mr.

Chairman, there was a missile there for everybody. I think just the

missile launch itself validates the process we have.

Now, of course process is not enough. You have to have progress.

But the notion that somehow we can make progress without the

Six Party process I do not think is a notion that really can be validated

or proven. I have had many bilateral meetings with the

North Koreans. I have met them in formal rooms, I have met them

in informal rooms. I have met them in restaurants. I have met

them in many different places.

The problem is not a lack of communication. The problem is that

they do not want to come to the process and make the fundamental

decision to implement the September accords. When they do, we

will have as many bilateral meetings as they want. It is not a problem

of bilateral process.

Thank you.

Well, first of all, we have a package and it is

the Statement of Principles from September 2005. This lays out an

entire agreement. First of all, it envisions denuclearization, that is

getting rid of their weapons, but also very importantly, getting rid

of all their nuclear programs. We are not interested in having arguments

with the North Koreans over what is a nuclear weapons

program and what is some sort of nuclear health care program. We

are interested in getting rid of all of their nuclear programs, all

their existing nuclear programs, and they agreed to that.

Absolutely.

Absolutely, and that will be the rub. I mean,

when we get to finally implementing this we have to have a

verification mechanism that really works, and that is where I mentioned

earlier we think the Russians can play a very helpful role

in that with all the experience they have in this.

So we have got the package. The problem is we need to get the

North Koreans to implement the package. Clearly China is a key—

is an absolutely key player here. I spent—I was there twice in the

last week in connection with the U.N. Security Council resolution.

The Chinese sent a pretty senior delegation up to Pyongyang and

they waited and waited to see if they could get a meeting with

Chairman Kim Jong-Il, and it never happened.

I cannot speak for the Chinese, but I think the Chinese were a

little bothered by that. Indeed, I think they are bothered by the

fact that China has given North Korea a lot of assistance. They

have helped them with fuel, they have helped them with food, they

have helped clothe North Koreans in the winter. Indeed, when

there is a North Korean delegation coming to China, China gives

gifts to North Korea. When a Chinese delegation goes to North

Korea, China gives gifts to North Korea.

China has been extremely generous to North Korea and they

asked for one simple thing, which was, do not fire those missiles,

and the North Koreans ignored them. So I think there is a bit of

an issue today going on between China and North Korea.

You know, China, the Chinese, make the point that you can

choose a lot in life, but you cannot choose your neighbors. So I

mean, we do have to be respectful of the fact that North Korea is

a neighbor. But I think there is a process going on in China today

to look at where they stand with this, because clearly, clearly

China has no interest in North Korea developing missiles or in developing

nuclear technology. They are clearly concerned about what

this could mean to the region.

So I think the silver lining to this rather difficult situation we

have is an opportunity to work more closely with China and an opportunity

to work closely on our overall interest for northeast Asia.

So we are doing just that.

They are absolutely sensitive to all of the

above. Regrettably, North Korea does not appear to be sensitive to

any of the above. Certainly, from the point of view of Japan, North

Korea setting up missiles, several of which could hit Japan, when

Japan has its own self-limiting rules about what kind of military

it has, how much it spends on the military, what kind of systems

it should have, this entire North Korean missile barrage began—

or made more public—a debate in Japan about whether they have

enough forces to deal with these kinds of threats to their homeland.

This in turn caused concerns in China and caused concerns as

well in South Korea. But rather than focus on the Japanese reaction

or the South Korean reaction to the Japanese reaction, I think

we should focus on what started this dance, and that is the North

Koreans. They are truly reckless. They are reckless from a number

of vantage points, and the region—how the region works together

is one such vantage point.

North Korea does not seem to understand that this is a region

with great potential and they could join in it or they could be isolated.

The North Koreans pride themselves on being

opaque and not sort of letting us understand their thinking. I

mean, often what goes on in North Korea stays in North Korea.

But the best we can tell is the North Koreans believe that this missile

launch demonstrates a certain military prowess, it demonstrates

a certain strength, and that somehow by demonstrating

this kind of strength we will be inclined to be more concerned,

more worried, and inclined to give more concessions.

So it could be in this case a sort of misplaced sense of how to

enhance their position at the bargaining table.

Again, they have not shared that with us, so

we are left to speculate. But certainly when one looks through the

public statements that are made there, when one analyzes what

they’re up to, it appears that North Korea would like to establish

itself as a nuclear power and to get us to deal with them as a nuclear

power, and to try to work with them as a nuclear power

through arms control agreements and the like.

Well, I think we need to make it clear that

when we say that it is unacceptable to be a nuclear power that we

really mean it. There are just too many consequences in the region.

So we know that North Korea becoming a nuclear power is unacceptable,

not only to us but to the other players in the region, including

China. So where we have to go from here I think is to,

using this resolution as a very strong—this U.N. Security Council

resolution as a very strong sign of international resolve, I think we

need to work more closely with partners, and as we move closely

with the partners and as we try to revive a diplomatic process and

as North Korea does not respond to that, I think we need to work

closely with the partners on additional steps.

Now, we are looking at economic measures, but I think we need

to be realistic about whether our economic measures can really get

us where we want to go, because we have already taken a number

of measures. We do not have a robust trading relationship with

North Korea which we can somehow suspend and then compel

them to a different behavior. But some countries have much more

of a relationship, namely China. So I think it is very important to

work with China on a diplomatic process such that if we do not get

there we can have a common understanding of what we do next.

We do feel that we have a common understanding that North Korea’s

development of missiles and nuclear programs is unacceptable

to the Chinese and to the other Six Party participants.

Well, again, I think North Korea resists any

type of pressure. But frankly, the other approach to North Korea,

that is of being close to them and somehow showing a lot of patience,

is also not working. So I would argue that we need to step

up the pressure, but I do not think the United States can do that

alone. By pressure I mean economic pressure.

I think we need to work with our partners that we believe have

more leverage, and the Chinese do have more leverage. The Chinese

also have more concerns because North Korea is right on their

border. So I think what we need to convince the Chinese of and

work with the Chinese on is the fact that this current situation

cannot hold. It is inherently instable, unstable. So what China

needs to do is to determine whether it can carry on a relationship

with North Korea as it has in the past and compel North Korea

to make these changes that we all demand.

So I think China needs in short to begin to review its own policies

and I think that can be best done when we can work closely

with China.

Well, you are correct, Mr. Senator, that the

South Koreans agreed to go forward with a ministerial. Their minister

of unification met with his counterpart in North Korea in

Pusan. They did this after considerable discussion within their government

and they decided that, because they have always valued

these North-South contacts, they did not want to be the party that

cut them off.

But they did set a different agenda, and the agenda they set was

that they wanted to discuss the missile launches and the importance

of getting North Korea back to the Six Party process. The

North Korean delegation walked out of the talks, and the result is

that the talks have been suspended. South Korea has suspended

shipments of humanitarian goods, including fertilizer. North Korea

in response, just yesterday, has suspended the Red Cross-organized

family visits. This is a particularly cynical act because when we

talk about family visits these are families that were divided by

World War II and by the Korean War. We are talking about 85-

year-olds trying to get together to see each other, often for the last

time.

So I think it really is a measurement of that regime’s cynicism

that they would go after this type of interaction.

It is very interesting what is going on in South Korea today.

There is a burgeoning discussion in South Korea, among South Koreans,

about the North Korean policy, whether they should be engaged

in this type of—in this policy of reaching out to North Korea,

whether they should be insisting on more quid pro quos.

I think it is important that the South Koreans have this discussion,

and I think it is also important that Americans allow them

to have this discussion. Obviously we have opinions about it. Obviously

we need to register our opinions with the South Korean authorities.

But I think ultimately it would be better for all concerned

if the South Koreans have their own debate and come to their own

conclusion based on a common set, a common analysis.

So the trend right now is for South Korea to tighten up in its

relations with North Korea. And by the way, it is a very wrenching

experience for South Korea. What happened to the Korean Peninsula

in the mid-20th century is one of the great tragedies of that

century, and here we are 50-something years later with no end in

sight.

We know of—this gets into intelligence matters,

but I can say on the record we know of no particular instance

that they would offer to sell plutonium. We also know that they understand

that this would be a very serious matter indeed.

I wish the North Koreans gave me something

more to work with. I wish they showed that they were going to be

interested in the fifth round. I wish they could demonstrate that

they have done a little homework like the rest of us have, to see

how we would implement the September agreement.

With respect to my flexibility within our Government, I take my

directions from Secretary Rice and I think I am okay in that regard.

What I need is for the North Koreans to show

they are serious. I think that would help skeptics in the United

States, both in and out of Government, to believe more in the negotiating

process. Sir, my problem is that the North Koreans have

given me nothing to work with.

Opinions about this vary. Clearly, they were

upset and remain very upset about our actions against them, and

they have used this as the latest excuse for not coming to the talks,

the fact that we suspended our United States banks’ interaction

with a bank in Macao which is known to have a number of North

Korean accounts there. They have been very upset about that.

It appears that they have had to scramble around and look for

other ways to move their money around. To be very frank, I would

be careful, however, measuring the success of these measures on

the basis of how loudly the North Koreans complain, because they

complain about a lot of things. I think they have certainly been disruptive,

but I think we need to look to see how we can do more

in this area and also, very fundamentally, work with partners in

this area, because we cannot do this alone.

If you look at all the partners in the Six Party process, we have

less interaction with North Korea than any of the other partners.

Indeed, today we can see the Japanese are looking at a number of

measures. I mentioned the South Koreans have done so as well. We

need all these partners doing this. I think together we could come

up with something.

But I want to emphasize too that we do need a diplomatic process.

We do need a way to put this together and to get the North

Koreans back to the table.

I do not feel qualified to give a discussion of

the national technical means that we bring to bear, bring to bear

on this, and moreover I am not a rocket scientist. But we had, I

think, very adequate, I think, robust capabilities in seeing these

missiles launched. We know that the Taepodong 2, the what we believe

to be a long-range missile, went a lot—did not go as far as

any of the other missiles, and there are signs that it barely managed

to clear land and get out to sea.

So it was—I think it is fair to say it was a failure. But I would

hasten to add that when you do missile tests, things that are failures

from the point of view of an operation, you can actually learn

from the failures. So I cannot say that the test in and of itself was

a failure. We do know that they fired a number of shorter range

missiles, including something called the Nodong and some Scud

missiles, and they appear to have fired them into the vicinity that

they wanted to fire them to, because this is the vicinity that they

warned mariners to stay out of.

So from what we can tell, those other tests appear to have been

successful, and if you consider the fact that North Korea had not

fired missiles for some 13 years and one day fired one off and hit

the test range, I think you have to acknowledge there is some success

there. I would not necessarily like to take a piece of equipment

out that has not been used in 13 years and fire it off. Yet it appears

to have been successful.

So we should not underevaluate their missile technology.

So the smaller missiles, Scuds and the like, kind of—I do not

want to exaggerate, but inconsequential really. It is the bigger——

Well, they are not inconsequential to our partners

in the process. Scuds are not inconsequential because they can

hit just about every part of South Korea. Nodongs are not inconsequential

because they can also hit Japan. So our partners have

to be very concerned about it. And I might add that those both are

treaty partners.

North Korea launched a No Dong missile in

May 1993. The 1993 launch was the last and only launch before

July 2006.

In a long time, yes.

Well, 1998 was the Taepodong 1.

Taepodong missile, the one that flew over

Japan. But the shorter range systems, my recollection is not since

the early 1990s. I will get back to you on that precisely. A number

of years.

Well, on the assumption that we are sort of

rooting for their missiles not to succeed, we would not want it to—

we would certainly not have liked to see a Taepodong missile reach

its full range, which could hit, reach the continental United States

in theory. Obviously, we did not see that, nothing close.

So I guess a worst case scenario would have been that it did that

and plopped down somewhere on somebody’s house.

Well again, the shorter range missiles seem to

have hit the target range, so they seem to be tests, and from what

we can tell they achieved what they are supposed to achieve. Clearly,

this large longer range missile did not succeed, but again I do

not know what test data the North Korean scientists were able to

glean from it. So I am sort of reluctant to term it the failure that

it certainly looks like.

Well, they fired off seven missiles and I would

call that aggressive, because they were all shapes and sizes. And

as I mentioned, their missiles are capable basically of hitting every

country in the Six Party process. So I would not say that they in

any way responded positively to the Chinese. And by the way, it

was not just the Chinese. All of the other participants asked them

not to do this, told them not to do this. And the United States, in

addition to asking them not to do this, through other countries, we

asked the Chinese to ask them not to do this. We also informed the

North Koreans directly through their mission in New York,

through what we call the New York channel, just so there would

be no confusion at all the seriousness with which we viewed missile

launches.

Well, I think the Chinese—again, I do not

speak for the Chinese here, but they were not at all happy with

how the North Koreans had defied them. They were not at all

happy with how their mission to Pyongyang had been treated. I

think the Chinese are well aware that as an emerging world power

it is important for them to insist on certain things and get it done.

They had a neighbor here that depends on them every day of the

year and they asked the neighbor to do something; the neighbor refused.

So I think there is considerable concern in China, and I

think this is reflected in their joining with us in condemning the

North Korean missile launch.

Well, Senator, this is an example of birds of

a feather. The Burmese regime is another regime that does not

seem particularly interested in joining the international community.

As you know, Burma and North Korea broke off relations

back in 1983 after the North Koreans murdered half the South Korean

cabinet at a ceremony at a Burmese temple near Rangoon. So

they have not had relations since that time.

Clearly, the Burmese junta and the North Korean regime feel

they have something in common today, so they are in discussions

and there are reports that they are going to reestablish diplomatic

relations that have been broken since the North Koreans blew up

half the South Korean cabinet in 1983 there.

Well, I think it is important for us to deal

frankly and intensively with the Chinese on their relations with

countries that are on their borders. We do that, obviously, in North

Korea, and I think it is also important that we do talk to the Chinese

about their relationship with Burma. Obviously, this is not a

hearing about Burma, but if it were I would be telling you that we

are very, very unhappy with the direction of things in Burma.

This was one of the most promising Asian countries in the 1950s

and now it is about the least promising. What we do not like to see

is a situation where the Burmese are able to play off China against

India or India against the ASEAN countries or China against

Japan, et cetera, to try to divide and conquer. We think it is important

that we all speak with one voice on Burma.

So we engaged the Chinese in this discussion and I can tell you

we will be doing more of it.

Well, first of all, I want to be clear. I represent

East Asia Bureau, not the United States U.N., which is run

by Ambassador John Bolton. But I will tell you that——

Oh, sure, yes.

Early, soon after the missile launch, one of the members of the

Security Council, not a permanent member of the Security Council

but Japan, was very interested in taking the lead in putting together

a robust resolution. Japan worked very hard to put together

a resolution and worked very closely with us. The resolution that

was put together had some eight cosponsors of it, that is eight

countries in the Security Council, representing different countries

in different parts of the world. The Europeans were cosponsors. We

had some Latin American countries there.

That was done the previous—that is, within 3 days of the actual

missile launch. The Chinese signaled that they were concerned

whether this resolution would be in their view helpful to the situation,

and so the Chinese asked that, given the fact that they were

going to launch a diplomatic mission to Pyongyang to convince the

North Koreans to reimpose their missile moratorium and to come

to the Six Party Talks and, most importantly, come to the talks

with a view to implementing the September agreement, they asked

that consideration of this resolution be postponed.

So the sponsors of the resolution agreed to give China time to do

that. By the end of the week, however, with the Chinese delegation

still not having had key meetings in Pyongyang and not having indications

that the North Koreans were prepared to come back to

the talks or to reimpose the missile moratorium, the Chinese then

proposed a resolution of their own, with different language in the

resolution. At that point it became what often happens in New

York, an intensive negotiation to come up with a resolution.

It was possible at any time that we would have two resolutions,

but I think it was strongly felt by our leadership, by our President,

our Secretary of State, that it was valuable to have one resolution

that represented the unity of the Security Council and, frankly, the

outrage of the international community. So they worked, my colleagues

in New York, worked very hard on taking the Chinese text

and the Japanese text and putting it together in one resolution.

We believe it is a very strong resolution. We believe the operative

elements of it are to require that countries work to exercise vigilance

in not allowing North Korea the means to develop these missile

and WMD programs nor the means to proliferate this. We believe

the resolution is very robust in terms of requiring countries

to exercise vigilance, not to allow North Korea to have the financial

means to develop these things.

In addition, the resolution calls—first of all, condemns the North

Korean action, but also very importantly calls North Korea back to

the Six Party process.

North Korea, as you know, their ambassador attended the Security

Council session. He clearly contained his enthusiasm for the

resolution and stormed out, not before he called the Security Council

some names, and I think has put North Korea in the position

now of defying the Security Council.

So we will continue to work with our partners on this. I cannot

stress enough the importance of working multilaterally on this because

the United States in and of itself, we can protect ourselves,

but we cannot solve this problem. We need to solve this problem

with the partners. So we will work intensively with our partners

and we will assess where we go from here.

Well, there are—all countries, all member

states, are required to exercise vigilance. So I think what we want

to do is work closely with countries that have the most interaction

with the DPRK, financial interaction and also material interaction.

Often those are countries that are closest to the DPRK and we are

working with them diplomatically on this.

Clearly, we need to continue to work very much with the Chinese,

but, as you know, Japan is considering a list of very robust

sanctions which, if implemented by the Japanese authorities, will

help constrain North Korean access to financing, to financing these

programs.

The countries engaged all have—all share the

same goal, which is North Korea needs to be denuclearized, needs

to get out of this business; that North Korea needs to reimpose its

missile moratorium; and North Korea needs to begin to join the

international community. Countries, however, have different motivations

for this. I would say that in the immediate region there is

concern that if—for example, in China there is concern that if

North Korea were to go ahead and develop a nuclear program—I

mean, a successful deliverable nuclear weapons program, that this

could encourage other countries in the region, and the Chinese frequently

cite Japan as a concern, that they do not want to see

Japan go nuclear, for example.

So I think China is very concerned about the potential of an

arms race in northeast Asia. So that is something that is a concern

that we share as well.

I think generally countries in the region want to see northeast

Asia as a region that not only exports many of the world’s exports,

manufactured exports, but as also a region that can export peace

and stability, and it cannot do that while it has this one country

there producing these weapons systems.

The North Koreans did that, yes. The North

Koreans did that in retaliation for the South Koreans cutting off

some humanitarian assistance. The South Koreans do not want to

have to go this route, but they understand that there is a point at

which there is behavior in North Korea that they simply cannot,

cannot countenance.

I would add, as I mentioned earlier, that there is a debate going

on in South Korea, a very active, lively debate about what their

correct policy should be to North Korea, because there are those in

South Korea who want to be supportive of North Korea and not expecting

much back, but somehow keep North Koreans fed, to prevent

further humanitarian catastrophe in that country. There are

people who feel that they should do that without anything in return.

Then there are people in South Korea who feel that the North

Koreans have abused that, and there is an active discussion on

that, and I think that is to be encouraged. So there are very strong

emotions there.

I feel as an American diplomat it is important that South Koreans

work this out, that we not lecture them, shake a finger at

them, tell them what to do, because, A, I do not think it will work,

and B, I think it could actually do some damage to our relationship

with South Korea. So South Korea has a special interest there.

Japan has to be very concerned about a country that is so implacably

against Japanese interests and is setting up medium-term

missile systems that Japan’s own self-imposed limits on its military

could not deal with on its own. So it has actually stimulated a discussion

in Japan about the type of military it needs. That discussion

in Japan has reverberated in South Korea, where people are

worried about the Japanese reaction to the North Koreans. It has

also stimulated concerns in China as well. So there is a lot going

on there in the region right now, but I think we need to keep focused

on who started this problem, and it is North Korea.

Russia also does not want to see an arms race

in northeast Asia. Russia—this is, the Pacific Far East, is an area

perhaps of secondary concern in Moscow, where Russia has many

European areas that they are more concerned about. But nonetheless,

we believe we share the same strategic interests as Russia.

They do not want to see North Korea become a source of technology

or a source of instability in the region.

Yes, that is our understanding, and our understanding

is that North Korea has had a number of commercial

relationships in the Middle East with respect to missiles.

That is absolutely correct. I want to say,

though, in truth in advertising, I am the—I deal with East Asia

Pacific. I am not the point person in the Department on missile

proliferation. But you are absolutely correct.

It is clear North Korea has interests in commercializing

this technology. My response to Senator Hagel was

in—was to the specific question——

Of selling plutonium.

Well, we certainly—we have certainly tracked

that and we do know that they have been engaged in these types

of talks. I am not sure I can say in this hearing room the extent

of what we know, but I can assure you we are on that one.

Well, I am not aware that we have received

assurances against the possibility that North Korea will continue

to defy this resolution. But what I can assure you of is that——

Defiant.

Should it continue, I think we need to be very,

very much in close contact with these countries about next steps.

I cannot at this point tell you whether next steps would be a new

resolution, but certainly we want to work with these countries to

make sure that they are doing all that they can do to fulfill their

obligations under this, under this resolution, to be exerting vigilance

against the North Korean efforts to fund these programs and

to develop these programs.

I think that is probably going to be the area where we work most

closely with those countries. We want to—I think it is very important

that the resolution also lays out the need for a diplomatic

track, and we will continue to work with these countries on the

way forward in the diplomatic track. But ultimately the North Koreans

are going to have to make their own decisions on that, and

it does not look as of now that they are interested in rejoining a

diplomatic track, and so we are going to need to reassess and see

what else we can do.

Sir, we have a number of options here. We do not have the options

of walking away from this problem. We have got to stick with

it. We have got to look to see what we can do with it. We need to

work with these partners. Multilateral diplomacy is not an easy

thing. Everyone has a different—everyone has a better idea in the

room. So you have to work with them. But that is what I do for

a living and that is what I will continue to do.

We are not going to walk away from this problem.

First of all, we have worked very, very closely

with the Japanese through this entire crisis, extremely closely. We

have sought to assist them with various short-range defensive systems.

Again, I am not the right person to brief you on that. I think

that should come from Defense Department. But we have been

looking to—we have placed some additional Patriot missile batteries

in Japan, for example. But I emphasize the need to talk to

Defense Department on that.

I would say our cooperation with Japan has become—is unprecedented

in its positive nature. As you know, Prime Minister Koizumi

was here a few weeks ago and a lot of the discussion had to do with

dealing with this North Korean missile threat. As you know, there

has been a discussion in Japan about the whole issue of what kind

of armed forces it should have. As I mentioned earlier, this has

caused some concern among its neighbors. We very much want to

see Japan have a better relationship with its neighbors, and we

work with Japan on that and we work with its neighbors on that.

Japan is a very close ally of ours and I think that has been proven

in the preceding weeks.

Well, as I mentioned earlier, I think there is

a very, very lively public debate going on. You look at the South

Korea press every day and there is a lot of discussion about whether

the government has the right policy, policies toward this issue.

I was just in South Korea about a week ago and I would say overall

the tendency, the trend there, is going to be to probably tighten up

in its relationship with North Korea. They do this very reluctantly

because I cannot emphasize enough this is a very, very emotional

issue for a people who have been divided, a people who have really

felt that the mid-20th century divided them and humiliated them.

So it is not easy for them.

But they clearly are discussing this. It is a very lively democracy

there in South Korea, and I do not think they need me to help

them with this. I think they can work this through.

What is important to us, though, is at the end of the day we not

allow the issue with North Korea to weaken our relationship with

South Korea. On the contrary, we want to see these tough issues

strengthen our relationships there, especially with our allies, Japan

and South Korea.

Mr. Senator, you are not the only person that

is mystified by it. I must say I listen to a lot of North Korean experts,

and you listen to five and you get six different explanations

of it. It is truly difficult to fathom what they have on their minds.

My own sense—and again there is no official policy on what this

is, so I will just tell you my own sense. I think they have a misplaced

notion that the tougher they are, the stronger their military,

that somehow the tougher, the more prestigious their position will

be in the world community and, more specifically, at the bargaining

table.

So I think they feel that the bigger the missiles, the stronger

their position. I think—I do not agree that they are looking for nuclear

deterrence. I really do not agree with the notion that somehow

they live under a sort of imminent threat of a U.S. attack and

that is why they need these super-weapons, to protect themselves

from our attack.

We have told them over and over again publicly, privately, wherever,

that we are not interested in attacking or invading North

Korea.

We have said that. And if you look at the September

statement, it is there in black and white. So they know

this.

I think what they are looking for in having a nuclear capability

is prestige value, and I am sorry to say, frankly, I think it is also

a way to kind of intimidate their neighbors. They look around, they

see neighbors that are much more powerful than they are. To understand

the dynamics of North-South relations, in 1960 North

Korea was well ahead of South Korea. In 1970, North Korea was

well ahead of South Korea. And now North Korea has a per capita

GDP that is minuscule compared to South Korea.

History has already happened. It is over. And you can imagine

if there is a trauma there, you can imagine how they feel about

that. So how do they catch up? They catch up with a sort of superweapon.

So I really think it is a misplaced sense of how to be strong.

What we have to do is to be a little tough in response, and I think

we need to make very clear that we are not going to allow them

to become a nuclear state. You know, they look at some other examples

in the world and say, well, we allowed country X to become

a nuclear state, and so why do you not allow us? We are not going

to allow North Korea to acquire these types of weapons.

I think the sooner they understand that, the better. We have put

together the Six Party process with the Six Party Agreement and

anything they should want in the world is contained on those two

and a half pages. It is all there. If they want energy, it is there.

If they want security assurances, it is there. If they want bilateral

recognition, it is there through a process.

By the way, there will be a process. If we ever get to the point

of normalizing our relations, we will have to address some issues

that they do not like, for example human rights. But they are just

going to have to understand that the rest of the world has its

human rights record. Our human rights record, as well, gets inspected

and they are just going to have to get used to the fact that

if they are going to join the world they have got to play by the

rules.

Right now they have a sense of somehow there is this North Korean

exceptionalism, that rules are for someone else, not for them.

So I think we have to be a little tough on this point. But if they

are willing to work with us, we have got an agreement that will

really offer them a way back into the international community.

They have—what we know is they have some

missile technology and we know that those short- and medium term

missiles seem to work. We know that they have plutonium.

We do not know whether they have been able to put the plutonium

into some sort of explosive device they have never tested. But we

know they have the raw material, that is plutonium. We do not

know whether they have put it into a——

You talk to analysts and you will get different

points of view, but in that order of magnitude, yes.

What is a little discouraging, frankly speaking, is throughout our

negotiations in the Six Party, on these principles in September,

they kept this Yongbyon reactor operating. So this Yongbyon so-called

graphite-moderated reactor, it was not there to produce electricity.

It is there to produce plutonium byproduct. And they kept

that going the whole time.

Then at the end of this process when the United States announced

certain measures that we were taking against some of

their illicit activities, their financial illicit activities, they said they

will boycott the rest of the talks unless we stop that. My point is,

if they can go ahead and produce plutonium through the talks,

surely we have the right to protect ourselves against illicit activities,

and that is what we continue to do.

I am sorry? Capacity?

We know they have plutonium. We do not

know that they have taken the plutonium and through an explosion

caused a nuclear—or have the capability of causing a nuclear

explosion. Now, people who know this kind of stuff say that the

trick is in producing the plutonium and after that it is relatively

easier.

But what we know is that they have produced plutonium, and we

do not know beyond that how much they have been able to turn

it into a device or miniaturize it and put it onto a missile.

I do not know how close they are. I just know

that they are developing missile technology on the one hand and

they are harvesting plutonium on the other end, and clearly they

are looking to fill in the middle, and I do not know how far they

have gotten. But frankly, I do not think we should be waiting

around for that to happen.

I think the Chinese are the key players and

it is no accident that they are the host of the entire Six Party process.

I completely agree with you they are the key players and they

probably know the most about the North Koreans. They have certainly

seen them the most. They have the most connections. They

have economic connections, political connections, they have military

connections. They know a lot about them.

I think they have also had a long relationship with North Korea,

some 60 years, and they are—in China policies do get changed, but

it takes a while for things to change there. The nature of my discussions

with the Chinese tends to be they ask me for more patience

and I ask them for less patience. We have to come to a sort

of agreement, a sort of work plan on how we can move ahead.

I feel we had an important week last week. The Chinese asked

for a delay in the Security Council. We gave them a delay. Their

diplomacy did not work. They came back to the Security Council.

They worked with us and we came up with one unanimous resolution.

I thought that was very valuable, but in and of itself it is not

going to solve this problem. We have got to keep working with the

Chinese and find other ways to work together.

I’m sorry?

I think they understand that this problem is

not going to go away with patience. This problem is going to require

us to be aggressive in dealing with it. So I have a very good

relationship with my counterpart there and I really feel that if you

look at the waterfront of United States-Chinese relations, a complex

relationship if there ever was one, this is an area where we

can work together, and I think if we can solve this one we are

going to be able to solve a lot of problems.

When I was in Beijing last week, there was

frankly in private discussions, there was a lot of criticism of Japan,

and clearly the Chinese have expressed a great concern about

Japan. I took it as my mission to continue to focus them on the

problem, which is not Japan but rather North Korea, and I think

they got the point.

There is a—this is an ongoing issue between

Japan and China, between Japan and South Korea. Memories are

very long in Asia and this is something that, we would like to see

these historical issues resolved. We think, though, that with respect,

for example, to Japan and South Korea, these are two democracies,

two allies of ours, and we think they ought to be able

to solve this without advice from us.

We are letting them work it out.

Well, I think we have a very broad, very robust

agenda with the Chinese, which as you intimate includes a lot

of issues that are in the economic area. Certainly from our vantage

point or from my vantage point, I do not see any effort to go slow

in those areas so that we can get more from them in the North Korean

issue.

We are not asking China to do anything in North Korea that we

do not think is in their interests to do. Clearly, as I mentioned earlier,

to have North Korea develop nuclear weapons is a serious

problem for us all, especially for China and for the region. So I

would say that the Chinese very much value our relationship, and

what we are trying to do is broaden that relationship, that we are

not just dealing with China on an issue of North Korea and then

the economic issues, but we are engaged with China on a lot of

issues around the world. We are talking to them about problems

in Africa, we are talking to them about Burma, we are talking to

them about a lot of issues.

So I think the Chinese want to work with us on that, and they

understand the depth of our concerns on North Korea. We have

made it abundantly clear that we have got to solve this one. We

do not just have to sit around and talk about this one. We need

to solve it.

So I think they are incentivized on North Korea. I think what we

need to understand is—and I hate using this word because I sound

like a typical State Department person, but it is complex. It does

go back years. I think we need to understand the relationships

with China and relationships with North Korea. There are a lot of

them. So changing Chinese policy on North Korea is not just going

to be the result of one meeting where they slap the side of their

head with the palm of their hand and say: Okay, now we get it;

we will change. It does not work that way. We need to work with

them on this.

I would like to believe that they do. Again, we

do not tell them what to do, tell them how to do it. But we make

clear to them that ultimately we need results in this area.

I would like to believe that they do. Again, we

do not tell them what to do, tell them how to do it. But we make

clear to them that ultimately we need results in this area.

I agree that is one of the issues. But frankly,

I do not think the current situation is all that stable, either. While

I am sympathetic to the idea that they are concerned about 20 million

people streaming over the Yalu River, I think they should also

be concerned, maybe more concerned, about proliferation of weapons

of mass destruction.

So it is one of the issues, but I think that problem really can be

controlled and, frankly, I think the issue of weapons of mass destruction

is a much more destabilizing problem than the so-called

collapse of North Korea scenario. What we have made—what we

have also made clear to the Chinese is we are not interested in taking

some kind of strategic advantage from some change in political

relationships in the Korean Peninsula.

We want to work with China. We understand their security concerns

and we are not interested in taking advantage.

No. Taiwan does not come up directly in the

context of these negotiations or in the sense of any kind of tradeoffs

of any sort. China knows our position on Taiwan and we know

their position.

Well, we are prepared to have a direct formal

diplomatic dialog in the context of the Six Party Talks. That is, we

are not prepared to improve our relations with North Korea or to

have this direct dialog while they are boycotting the Six Party

Talks, because we believe that at the end of the day if this problem

of nuclear weapons, of weapons of mass destruction, is going to be

resolved, it is going to have to be resolved in the Six Party process.

If they are prepared to do that, we are prepared to sit down formally,

bilaterally, and work through our bilateral issues, which include

human rights concerns and other issues as well.

So we are—so if they are back in the talks and if they are prepared

to implement the September statement, one of the provisions

is to have a bilateral process and we will implement that. We are

prepared to implement every word in that agreement.

Now, to begin this process while they are boycotting the Six

Party process is really to run the risk that they would essentially

render the Six Party process moot and that they would try to resolve

this just with the United States. In fact, as the missile

launches confirmed, this is not just a threat to the United States.

It is a threat to the region.

If it is done in the context where they are boycotting

the Six Party Talks, yes.

You mean while they are boycotting the Six

Party Talks?

I do not believe there are. Because the

positives could be, let us say, to put aside misunderstandings. But

we have channels for getting information to them. For example, on

the missile launches we went directly to them through their operation

in New York. So I do not think it is a problem of misunderstanding.

Then what I would like to emphasize is last summer in Beijing

during the Six Party process I met with them numerous times. At

one point I tried to keep track of that, and I met with the North

Korean delegation almost as many times as I met with the South

Korean delegation and the Japanese delegation. I met with them

in formal meeting rooms in the actual convention center at the

Diaoyutai Complex. I invited my colleague, my North Korean colleague,

to private dinners outside the complex. He invited me.

But these were—no one else was there. It was

just Americans and North Koreans. You recall even 2 years ago

Secretary Powell met with his North Korean counterpart at the

ASEAN meeting.

We have had a number, we have had numerous bilateral meetings.

So I do not think the problem is having another bilateral

meeting. I think the problem is that they have not made the decision

to implement the September agreement, because if they are

prepared to implement that we are prepared to sit down with them

bilaterally and go through any range of issues.

So my concern is, I just do not think this is really the problem.

Well, if they refuse to return to the Six Party

Talks it is because they do not want to denuclearize, and when

they do not want to—it is not like they are going to denuclearize

if they meet with us after the Six Party. They are not telling us

that if we do away with the Six Party Talks they will denuclearize.

On the contrary, they have said they support the Six Party Talks.

So the fact they are not going there means that they are not interested

in fulfilling the things that we want to be fulfilled. So I

am not sure what it is we are supposed to talk to them about.

I have met with them many times. I have

talked to them. I have sat down with them. There is no indication

whatsoever that they are interested in pursuing this.

Well, I think the North Koreans are watching

that policy. They have watched our India policy, for example. They

do read the newspapers. So I think what we have done in Iran we

have already done in North Korea. We have a multilateral approach

in North Korea where we are prepared to deal with them

bilaterally in the multilateral approach.

So I am not sure there is anything there that is happening in

Iran that they feel that they, that the North Koreans feel they do

not already have. The only other issue is they seem to have this

notion that because they are further along in developing weapons

of mass destruction that somehow they should get more from us.

And I am not sure we can really buy into that, buy into that logic.

So while the situation, while it does come up, I think they understand

what the real issues are on the table.

It is of course hard to say in advance. I think

a North Korean nuclear test, which would be a real confirmation

of a successful nuclear program, where they have taken the plutonium

that we know that they have had and in effect weaponized

it, I think that test would be regarded with extreme seriousness by

these partners, extreme seriousness. So while I cannot identify precisely

what they would do, I can assure you they would not be indifferent.

Well, predicting his behavior is a bit of an occupational

hazard. But I think we need to be prepared for the idea

that he will want to show what is in his view more and more

strength. I think the problem is that the more he does this kind

of thing the more he loses sympathy. I mean, he does not have any

support, but he does have some sympathy among some of the Six

Party partners.

Frankly, I think to the extent there was any reservoir of goodwill

toward the North Korean regime, I think that reservoir is fast becoming

empty, and I think actions of that kind, which are the sort

of actions that he takes, would be inclined to drain it still further.

I would like to see him find a way to get back to the Six Party

process. It is clearly the way to go and we are certainly on the lookout

for signs that he is prepared to do that. But I think in that regard

this is probably not a good week.

Thank you. I would add one other explanation,

which is domestic. I suspect that he has elements in the

leadership, perhaps in the military, that feels they need to somehow

show their own strength and perhaps to some extent that was

another reason.

From the point of view of diplomacy, from the point of view of

getting North Korea’s way in the world, it makes no sense. I mean,

he has really galvanized unity against him, and I think the Security

Council resolution, which he probably did not predict, a unified

resolution of that kind that included China using a word like ‘‘condemns,’’

very strong word, I suspect he miscalculated.

So often when someone miscalculates it is kind of difficult to understand

their reasoning because clearly their reasoning was

flawed.

I think it is very important for North Korea

not to get mixed messages. Again, there will be people with their

own views of how to solve this, but I think the Security Council

really gives an excellent template to how people should think about

this issue. So the ASEAN meeting is a first opportunity really to

get together with the Six Party countries, but also with countries

in the broader Asia Pacific region, to deal with what is truly a

threat to security in the overall region.

Indonesia for example, like Thailand, has been very interested in

trying to use its good offices to solve this. So we look forward to

talking to the Indonesians about how they see the situation. As the

chairman mentioned, the Indonesians have a special envoy to

North Korea who recently went there.

It was interesting that Indonesian President Yudhoyono postponed

his visit to North Korea because he did not want the visit

to appear to be a mixed signal. But you are quite correct that a

number of these Asian countries are very concerned about this, because

it does affect the overall prospects in the region.

But let me just say one other thing about the meeting in Kuala

Lumpur. We will look at this as an opportunity to consult with

partners on the way forward in North Korea undoubtedly, but we

also look at it as an opportunity to work with our ASEAN countries

on furthering Asian integration and on really strengthening the

bonds between the United States and these other Asian countries.

We have a great interest in the success of ASEAN. We have a great

interest in the success of the broader region in Asia, and we cannot

allow North Korea, difficult problem that it is, to crowd out or to

drown out these other issues.

So I know Secretary Rice looks forward to having good discussions

with her Malaysian hosts, but also other countries from

Southeast Asia. So it is going to be a very, very busy agenda. Indeed,

as you know, Secretary Rice has a lot on her plate right now,

especially with this very difficult situation in the Middle East. I

will be going to ASEAN a couple days earlier, so I will be hitting

the road again this Sunday to get moving on this.

So we look at ASEAN or these meetings in Kuala Lumpur really

as a very strong way where the United States can work with all

of our Asian partners.

I think you are absolutely right. North Korea’s

behavior has often been described as reckless, including by myself.

One of the reasons it is reckless is the effect it has on the overall

region. Clearly it could ignite an arms race and that is in no one’s

interest.

South Korea does have a very special relationship to North

Korea. You cannot discount 2,000 years of history. So when South

Korea looks at North Korea, no one really knows the future. I

mean, whether there could be a unified state at some point or some

other. No one really knows the political arrangements. But what

the South Koreans want is that the political arrangements on the

Korean Peninsula should be determined by the Korean people.

So there is concern in South Korea about the idea that North Korea’s

economy could become more and more organically linked to

China and that if South Korea is not present that North Korea

could sort of look more and more like something that is really more

a part of China. So that issue does come up.

But I hasten to add that the South Koreans value their relationship

with China, so they do not want to make this some sort of

major wedge issue with China. They want to work with China.

South Korea knows the importance of China to the region. China

wants to work with South Korea, but people do think about these

sorts of things.

So when we look at sometimes what South Korea is doing in

North Korea—and I know from the point of view of when we are

here in Washington and we look at this, we wonder why they are

doing it. There are different reasons why they are doing it, some

of which are not readily apparent to us. So I think when one approaches

these issues one does have to approach them with a certain respect for the thousands of years of history that have gone

on before them, and it behooves us all to think these through a little.

Well, there has been speculation about that.

I like to think that from the United States’ political side that they

have heard messages from both our main political parties that

make it clear to them that they should not think that they can get

a better deal.

I must tell you, I am less concerned about their thinking that

they are going to get a better deal from someone than I am concerned

about whether they really want a deal in the first place.

You know, these nuclear programs, this effort to acquire nuclear

weapons, this did not just start in this administration or in the

Clinton administration. This goes way back. So I am concerned

about that.

I mean, our Six Party process, I do believe, is the right format.

But it does not offer any refuge for those in need of instant gratification.

That is, you really have to work this through and, dare I

say it, accept some of the advice I get from the Chinese to be patient.

But I really think it is the right process.

I think some of these missile systems were envisioned

some months ago, so one has to be a little careful with the

time lines. But certainly we work carefully with the Japanese on

these kinds of defensive systems, yes.

Well, what I often try to do with the Chinese—

and look, I want to be very clear. I am not any smarter than

they are. I mean, I do not give them some special insights that

they were not able to come up with on their own. They have some

very talented people across the table.

But I do try to focus them on one resounding fact, which is the

United States one way or the other is not going to accept North

Korea with weapons of mass destruction. We are just not going to

accept it. The Chinese say they are not going to accept it either,

and I say to them: Fine, and that is a good beginning because we

have a common outlook.

In not accepting it, though, I think we need to make, continue

to make clear to the Chinese, that the current situation is not in

equilibrium. This is not going to hold. That is, this is not stable,

to have this country, North Korea, continuing to develop these

things, and it is not stable for some of the reasons that you alluded

to. It is beginning to cause a certain arms race in the region. It is

beginning to cause certain tensions within the region, as we have

seen between South Korea and Japan.

So in short, in bureaucracy you often have problems that if you

leave them alone, lo and behold, they get better. This is not one

of these problems that is going to get better if we leave it alone.

We have really got to be engaged in it and really work it.

So I do try to kind of lay out to the Chinese my views of what

could happen if we work this and the bad things that could happen

if we try to pretend this issue is getting better on its own. China

has a view that somehow in the long run North Korea will develop

its economy and that as they develop and as they interact with the

world they will realize they do not need the weapons. I do not see

that happening right now.

They do. They do, and I think, frankly speaking,

I think the North Korean missile launch brought some of these

concerns about Japan, which by the way are concerns that we do

not necessarily share, but certainly it brought some of these concerns

that the Chinese have into sharper focus.

My effort in Beijing was to keep focusing the Chinese on the culprit

here, which is North Korea, not Japan.

I think they—I think they understand that

interplay. I think the Chinese believe that the North Koreans need

to be encouraged to join the international community and they

need to see the value of being a member of the international community,

and when these sort of megatrends finally set in that

somehow North Korea will realize that these nuclear weapons do

not have a role to play in that and will therefore want to give up

the nuclear weapons.

I do not believe that those are time lines that we can necessarily

live with, and I think in the mean time we have these issues as

you describe, with an arms race in northeast Asia.

I think how the South Koreans regard their

own defense is, like in Japan, something that they discuss. They

discuss it quietly now, but I think we could look ahead to a very

bad scenario where North Korea develops nuclear weapons, Japan

has to look very hard at that, and South Korea will also look hard

at that. So I think there is a lot at stake, which is why I think we

have got to stick with this until we solve it.

I think the Chinese support for a U.N. Security

Council resolution condemning the North Koreans is an indication

that China is kind of coming around in its thinking. China has

traditionally had concerns about North Korean stability. They also

have their own concerns that they have had a longstanding relationship

with North Korea, to change that relationship could involve

a lot of changes within relationships, be their political, economic

relationships with North Korea. But also, it can also feed

back into China’s own internal issues.

So China does not change the policy lightly. But I think the more

it sees of what is going on, that is the very negative trends that

we outlined to them and that they in their very sober moments realize

are happening, I think we can expect to gain more support,

and I’d like to think this Security Council resolution is an indication

of that. For me, I take an optimistic note from it that we

should continue to work on this issue with China.

Well, my concern has always been that if we

go in the direction of a freeze we will never get at the root of the

problem. They have produced some plutonium. We need the kind

of transparency from the North Koreans that they never offered us

in that context. We need to be able to get all of this fissionable material.

I am concerned if we go the route of the freeze we will never get

at the root of the problem.

It was a different time in history, but it involved

a lot of tough negotiation and they ended up with this

Agreed Framework, which included providing these rather expensive

so-called light water reactors, that is providing——

No, it took 10 years to—we set up a bureaucracy

for dealing with them.

My understanding of the negotiating history

of this is the real failure had to do with the fact that we uncovered

evidence that North Korea was making clandestine purchases of

HEU, highly enriched uranium, equipment, and of course that type

of equipment, that is the sort of nightmare breakout scenario

where they could produce a lot more than just a few kilograms of

plutonium.

Well, I think the Chinese had not done this

before, had not participated in a resolution that condemns North

Korean’s behavior. So it was a diplomatic process where we worked

intensively with the Chinese on the language of this. I would say

that the Chinese earlier in the week had asked us to hold off on

the resolution because they had a diplomatic team in the field.

They had their Vice Premier Hei. He was joined by the Six Party

coordinator, Vice Foreign Minister Wu Dawei, and they asked us

to hold off.

We did. The mission went to planning Pyongyang, was not able

to get the North Koreans to come back to the Six Party Talks or

to affirm, reaffirm, their missile moratorium that they had broken

by firing these missiles. So I think when it was clear the Chinese

diplomatic mission was not able to come back with the success they

wanted, intensive negotiations, more intensive negotiations, took

place in New York and we ultimately were able to agree on a unanimous

resolution.

I think South Korea obviously has a complex

relationship to North Korea. It goes back a couple of thousand

years during which they lived together. So it is a very emotional

issue with South Korea. I mentioned earlier that it is one of the

great tragedies of that country that 60 years later there is this terrible

division, that their country was divided in the middle of the

20th century. So it is a major humanitarian issue for South Korea

to have its people to be able to be together. There are people in

South Korea——