Thank you very much, Mr. Chairman, for holding

this hearing to review the present situation in North Korea.

The recent provocative actions by North Korea that you’ve cited

are moving that country toward even greater isolation. Almost universally,

the international community has condemned North

Korea’s nuclear test, missile launches, detention of American

reporters, and bellicose remarks.

There’s wide speculation about the motivations for North Korea’s

behavior. Some observers point to dynamics within North Korea

surrounding the eventual leadership transition of Chairman Kim

Jong-il. They suggest that an array of top security service officials

and military leaders are positioning themselves in the transition

entry by pressing for hard-line actions, from threatening to shoot

down aircraft to stopping the distribution of American food aid by

NGOs and even the World Food Programme.

Regardless of motivation, North Korea has been engaging in a

new level of international provocation. It’s urgent that the United

States and its partners develop policies that are clear and consistent.

They should be willing to engage the North Koreans but there

must be greater certainty that provocative steps by Pyongyang will

result in predictable and meaningful consequences for the North

Korean regime.

I support a full review of the United States policy toward North

Korea. Secretary Clinton has said that the administration is considering

all options in responding to North Korea’s latest actions

and I look forward to hearing additional details about this review

from our first witness today, Ambassador Bosworth.

A number of points should be considered by the administration

as it develops a North Korean strategy. Did the lack of a strong,

unified, and persistent response by China, Russia, Japan, South

Korea, and the United States to past provocative actions by North

Korea factor into Pyongyang’s decision to proceed with the latest

nuclear test?

Do North Korean officials believe their country’s relationships

with Iran or Syria will be permitted to develop without consequence

if those relationships include cooperation on weapons of

mass destruction?

What is the nature of the cargo in North Korean planes and

ships arriving in Burma which is sometimes a transit point for further

global destinations?

Russia has been transparent in its cooperation with Burma in

the development of a nuclear reactor, reportedly for medical research

purposes.

Is North Korea contributing to the development of Burma’s

nuclear program and, if so, in what way?

What level of international cooperation exists to scrutinize North

Korea’s global trading network and its potential proliferation route,

and can such cooperation be improved?

Is there a clear understanding of the efficacy and current status

of agreements related to the six-party talks and the North Korean

nuclear program? In essence, would any new negotiations be starting

from square one?

The United States and China have cooperated closely in the sixparty

process but our priorities are not identical with regard to

North Korea. While the United States is focused on eliminating

North Korea’s nuclear weapons program, China’s primary concern

relates to regional stability, a point not lost on North Korean

officials.

Given recent provocations, have the prospects for more concerted

Chinese actions been improved?

To facilitate the broadest possible base of support for moving

ahead, I encourage the Obama administration officials to actively

consult with Congress as they proceed in developing a comprehensive

North Korea strategy.

I join with Chairman Kerry in welcoming our Ambassador Stephen

Bosworth, Victor Cha and Nancy Lindborg, Evans Revere and

Leon Sigal to today’s hearing. We look forward to their insights

and hopefully their inspiration.

Let me mention that there are other countries

that are involved that we haven’t touched upon, at least I have not

heard them in the course of our talks thus far, such as Germany

and Italy, others who are involved in the commercial relations,

even among our NATO alliance.

As I recall, and this may be an oversimplification of affairs, but

at another juncture, with difficulty in negotiations, maybe before

progress in the six-party talks, there were measures taken through

the banking systems of various countries in the world in which

apparently North Korea assets, deposits, perhaps of the leadership

or others, were obstructed from being of value to them. That

seemed to have a greater effect at that point than many of the

threats or pressures that were coming through diplomacy, whether

it be through the U.N. or through other nations.

Can you give us some insight as you take a look at that particular

method with regard to the current North Korean financial

situation or that of its leadership as to what kind of pressure is

involved in these determinations in the banking system of the

country?

Not belaboring the issue, can you describe from

your own experience or your own history of this situation really

how those financial instruments work?

In other words, as the public takes a look at this hearing and

tries to understand something of that complex nature, why was

this effective, if you believe it was, in the past with regard to North

Korea?

Is it your judgment that if the Security Council

resolution that currently is being discussed were, in fact, to be

favorably voted upon, that other countries, such as the ones I’ve

mentioned or other European countries, and others who have these

dealings, would feel bound to observe that?

In other words, could they find exceptions that would allow their

commercial interests, their banking interests to proceed?

In recent days, it has appeared that after threats

to South Korea, that commercial establishments, 6 miles we’re told

from the DMZ, would be shut down, with cooperation on both sides.

The North Koreans have relented in that pressure.

Is that your observation or what information can you give us in

terms of the South Korean/North Korean commercial situation?

I mentioned that because it appeared that at a

moment in which the North Koreans certainly have been very aggressive

with regard to the South Koreans, even threatening military

action, there so appeared to be some talks or negotiation proceeding

which was interesting in view of all the other provocative

activities.

What is your impression, still following the economic

sanction activity, about the economy of the country? Normal

reports are that obviously many people throughout the country are

sorely deprived and many may be near starvation or sorely in malnutrition

much of the time, and this has led the international community

to be cautious about economic sanctions, particularly when

they came with humanitarian situations, such as food, basically.

But in the event that economic sanctions were to become complete,

what is the likely course of activity in the country at that

point? Is there an economy that is sufficient to at least prevent revolt

or others, before they die, at least having something to say

about it?

Mr. Cha, you mentioned that in 2005, other

countries voluntarily froze North Korean assets. We had the same

situation in Macau. I think that’s important because you point out

if in fact we had a Security Council resolution and clearly a multinational

idea here, that the sanctions leads to that form, it would

be much more comprehensive and complete, and that they affect

the leadership which is important.

I suspect we can make some headway with some of the followers,

but the leadership is what counts. Unfortunately at this particular

moment, even thinking about negotiations, I’m really struck by the

fact that after the negotiations we’ve been involved in, after

Yongbyon is partially disassembled and so forth, this reversal is

really striking and then beyond that, nuclear tests, missiles flying

over Japan, and all the rest of it, we can speculate whether they’re

having an internal problem politically, but the effects on the rest

of the world are very severe.

I would be in favor really of moving very strongly toward the economic

sanction route and bank accounts. I think that made a difference.

I think that’s where we got to the table to begin with. In

fact, there had not been really much movement prior to that point.

But I’m also intrigued by your thought about an inspection regime.

Describe really what an inspection regime, a counterproliferation

regime means or how that is set up.

I agree, and it seems to me the essential diplomacy

right for the moment is with all the rest of the world.

In due course, we may get into some diplomacy

because the North Koreans do find it necessary, but our job right

now is the Security Council, to make certain that if we go the economic

banking route or if we try to set up a nonproliferation

regime because, after all, the items that the North Koreans are getting

revenue from, their major exports appear to be through these

really dangerous substances, information, and weapons.

So this is another essential cutoff and a very important one in

terms of the security of the rest of the world, quite apart from

whether we ever get to the table with the North Koreans, just in

terms of our own safety and others in the process of all of this.

That’s why it seems to me your idea of the counterproliferation

regime really needs some more explanation on your part and perhaps

some greater information, if you publish such, or to give us

some outlines in terms of our own thinking of how these things

work, so the American people understand.

Now, at the end of the day, the North Korean leadership may

still say we’re simply going to keep threatening the world, as they

are. They’re claiming if we put any of these sanctions on, we can

expect war on their part. This is not a regime that looks to me like

it’s headed to the table happily and willingly and as you’re saying,

even if we got to the table, the reticence to give up all nuclear

weapons, and have some accountability for this, you think is clearly

a place too far.

Why do you reach that conclusion?

I won’t exceed my time, but I will say respectfully,

Professor, of course we want negotiations. The whole point

we’re trying to make is the North Koreans have deliberately

walked away from it, have shot missiles across Japan, have done

a nuclear test. Of course you want negotiation, but until we really

do something as an international community, I don’t see much

movement in that respect.