NORTH KOREAN BRINKMANSHIP: IS U.S. POLICY UP TO THE CHALLENGE?

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THURSDAY, JUNE 29, 2006

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2 o'clock p.m. in room 2200, Rayburn House Office Building, Hon. James A. Leach (Chairman of the Subcommittee) presiding.

Mr. LEACH. Committee will come to order.

Let me first announce that there will be votes in about 10 or 15 minutes on the House Floor. So what I would like to do is begin perhaps with opening statements of the panel and hopefully of the Secretary and then we will commence.

In any regard we greatly appreciate Assistant Secretary Hill making himself available to the Subcommittee on such short notice. Ambassador Hill, since you last appeared before us 3 months ago, some aspects of this strategic situation with North Korea have changed and others have not.

One thing that unfortunately has not changed is the apparent lifelessness of the Six-Party process. We are now 9 months beyond the Joint Statement of Principles under which North Korea committed to abandoning all nuclear weapons and existing nuclear programs but are no closer to realizing those goals.

I personally regret that the Administration has not during this time period allowed you or other emissaries to visit Pyongyang to test the boundaries and push the implementation of the Joint Statement.

At least two important things have changed. First, the North Koreans have had an additional 9 months to produce fissile material. An expert report released 3 days ago assesses that North Korea has now separated enough plutonium for somewhere between 4 and 13 nuclear weapons, more than a 50 percent increase over the amount they were believed to have possessed prior to 2003.

Second, the North Koreans have reportedly stood up a long range ballistic missile at a launch pad in Musudan-ni though it remains unclear whether those actions represent preparations for an actual launch or a provocative plea for attention.

In rejecting a surprising proposal by former Secretary of Defense William Perry, a proposal also endorsed by former Vice President Walter Mondale, to destroy the missile before launch, National Security Adviser Hadley recently stated that we think diplomacy is the right answer and that is what we are pursuing. While I share

Mr. Hadley's aversion to a reckless first strike, I must respectfully question the seriousness with which the Administration is pursuing the various diplomatic options available to it.

It is sometimes remarked, usually humorously, that adults rarely get to go far beyond junior high school thinking. When I was a student at the Sudlow junior high school at Davenport, Iowa, one of the social games we used to engage in was a staredown, a challenge to see who could stare the longest at someone else without blinking. Bizarrely, our interactions with North Korea seem to have certain staredown dimensions that are just as juvenile.

I can think of few things that are less rational than tying the United States national interests to the question of blinking. By treating most forms of direct conversation with North Korea as brinksmanship rather than statesmanship, the Administration has not demonstrated a lack of trust in Pyongyang, rather a lack of trust in its own abilities to conduct creative diplomacy in pursuit of our national interest.

In adversarial situations specific results can seldom be achieved without human interaction. Diplomacy is all about the respectful exchange of perspectives between parties even and perhaps especially between mutually mistrustful parties.

It is irrational for the most powerful country on earth to be fearful of diplomacy. It is realistic to measure your enemies and understand their motivations and actions. It is pseudorealism to ignore the opportunities to reach mutual accommodations simply because an effort might involve taking the first step.

At present, the United States is in an ironic circumstance where we have tied ourselves exclusively to a multilateral process in which other parties are taking the lead.

It is self-evident that the Six-Party Talks are a reasonable framework within which to pursue the denuclearization of North Korea, but it is also true that other parties have supplemented Six-Party contacts with bilateral discussions outside the Beijing framework and that they would welcome more robust, direct United States initiatives with North Korea.

For us to remain instead diplomatically reactive cedes too much initiative to actors whose interests are not identical to our own and allows North Koreans and others to paint us an intransigent party.

Six weeks ago I proposed to the executive branch a precise initiative for seizing the initiative in restarting a dialogue with North Korea. I believe it would be appropriate to send a Presidential envoy of significant stature. The envoy's message should neither be a macho line in the sand approach nor a begging, please return to the talks plea. It should be an approach designed to induce both a negotiating commitment and an attitudinal breakthrough.

In my judgment the most promising proposal would be one that provides impetus to the parties' previous commitments and a Joint Statement to develop a peace treaty and bring the Korean War to a formal conclusion. A precise date and site for a holding of a formal conference should be put on the table with the goal of receiving an acceptance during the visit.

An understanding might also follow that the Six-Party Talks would resume shortly after the peace conference and that negotia-

tions might also then commence on the possibility of establishing liaison offices and eventually Embassies in our respective capitals.

The diplomatic issue our Government has to come to grips with today is a problem of sequencing. Which comes first, the chicken or the egg, is a most cheerful and abstract philosophical discussion Americans engage in. But which precedes the other, talk or war, is neither cheerful nor abstract. Experience would seem to indicate that while war may not be averted by negotiations, it is less likely to break out if direct dialogue occurs beforehand.

In an adversarial situation, specific results can seldom be achieved without this kind of human touch. That is why our founders certainly contemplated that the new

American Republic would have diplomatic relations with undemocratic states. It is why Israeli Prime Minister Rabin, when faulted for talking to Arafat, noted that you don't make peace with friends.

With regard to North Korea, sequencing has been a particularly critical United States concern. Some in the White House have held that nothing should occur until North Korea capitulates in the nuclear issue. But a peace treaty stands outside the other Six-Party issues to the degree that it does not involve all the parties and makes sense whatever the results.

The fact that North Korea has indicated support for such a prospect should not cause us to think that it is to our strategic advantage to hold a peace agreement hostage to the nuclear issue. In fact it would help to eliminate one of North Korea's stated pretexts for its nuclear activities.

Taking the initiative to provide framework for a peace conference signaling an end to the Korean War would underscore a peaceful intent and remind the Korean people, North and South, that the United States singularly and unequivocally supports a peaceful reunification of the peninsula.

I have not received an administrative response to this proposal. In the meantime, 4 weeks ago the North Koreans invited Secretary Hill to Pyongyang for bilateral discussions in implementing the Joint Statement, an invitation the Administration declined.

Subsequently and perhaps in response the North Koreans finished assembling a long range ballistic missile on the Taepodong launch pad. Given North Korea's track record, I of course share the Administration's healthy skepticism about its strategic intentions, but skepticism is an attitude, not a policy. It is critical for the Administration to form a creative, coherent response to the growing North Korean nuclear threats to our national security.

To this end we cannot say we are committed to a diplomatic solution if our diplomats are not allowed to accept invitations to talk. Americans understand the North Korean challenge. What is less explicable is the U.S. posture. Time and opportunity cannot continue to be frittered away. In governance policy to be effective must be timely as well as thoughtful.

Mr. Faleomavaega.

[The prepared statement of Mr. Leach follows:]

PREPARED STATEMENT OF THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA AND THE PACIFIC

We greatly appreciate Assistant Secretary Hill making himself available to the Subcommittee on such short notice. Ambassador Hill, since you last appeared before us three months ago some aspects of the strategic situation with North Korea have changed, and others have not.

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At present, the United States is in an ironic circumstance where we have tied ourselves exclusively to a multilateral process in which other parties are taking the lead. It is self-evident that the Six Party talks are a reasonable framework within which to pursue the denuclearization of North Korea. But it is also true that other parties have supplemented Six Party contacts with bilateral discussions outside the Beijing framework, and that they would welcome more robust, direct U.S. initiatives with North Korea. For us to remain instead diplomatically reactive cedes too much initiative to actors whose interests are not identical with our own, and allows the North Koreans and others to bizarrely paint us as an intransigent party.

Six weeks ago, I proposed to the Executive branch a precise initiative for seizing the initiative in restarting dialogue with North Korea. I believe it would be appropriate to send a Presidential envoy of significant stature to Pyongyang. The envoy's message should neither be a macho line-in-the-sand approach, nor a begging please-return-to-the-talks plea. It should be an approach designed to induce both a negotiating commitment and an attitudinal breakthrough. In my judgment, the most promising proposal would be one which provides impetus to the parties' previous commitment in the Joint Statement to develop a peace treaty to bring the Korean War to a formal conclusion. A precise date and site for the holding of a formal peace conference should be put on the table with the goal of receiving an acceptance during the visit. An understanding might follow that the Six Party talks would resume shortly after the peace conference and that negotiations might also then commence

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Taking the initiative to provide a framework for a peace conference signaling an end the Korean War would underscore our peaceful intent, and remind the Korean people, North and South, that the United States singularly and unequivocally supports the peaceful reunification of the Peninsula. The fact that the process suggestion would be American would shake up the negotiating dynamics, which North Korea has so far been using to serve its purposes of delay, and would perhaps give momentum to other dimensions of the Joint Statement.

I have not received an Administration response to this proposal. In the meantime, four weeks ago, the North Koreans invited Assistant Secretary Hill to Pyongyang for bilateral discussions on implementing the Joint Statement, an invitation that the Administration declined. Subsequently, and perhaps in response, the North Koreans finished assembling a long-range ballistic missile on the Taepodong launch pad.

Given North Korea's track record, I of course share the Administration's healthy skepticism about its strategic intentions. But skepticism is an attitude, not a policy. It is critical for the Administration to form a creative, coherent response to the growing North Korean nuclear threats to our national security. To this end, we cannot say that we are committed to a diplomatic solution if our diplomats are not allowed to accept invitations to talk. Americans understand the North Korean Challenge. What is less explicable is the U.S. posture. Time and opportunity cannot continue to be frittered away. In governance, policy to be effective must be timely as well as thoughtful.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. And again I especially welcome Assistant Secretary Hill again before our Subcommittee and I am certainly looking forward on hearing his comments.

As always I would like to recognize, Mr. Chairman, our senior Ranking Member of our Committee, the gentleman from California, Mr. Lantos, that is here with us this morning.

And especially also my colleague from the Territory of Guam, Congresswoman Bordallo, and we are very pleased and happy that she is here with us as a Senior Member of the House Armed Services Committee, and turning also to a proposed resolution that she and Congressman McCotter has proposed before our Committee hopefully that we will have a chance to review the substance of this proposed resolution.

Mr. Chairman, for the past few years now this Subcommittee has been keeping a close eye on the North Korean situation. To be honest, I am deeply troubled as I am sure with other Members of the Committee, current intelligence estimates indicate that North Korea could have material from maybe 6 to maybe 13 nuclear weapons and now North Korea has announced it may be preparing

for a long range ballistic missile capability to be launched from North Korea and potentially hit any part of the United States, and of course in the process putting not only our allies in Korea, the Territory of Guam, the State of Hawaii, San Francisco and Los Angeles all at risk if in fact North Korea now has the capability of launching an ICBM from North Korea directly to these areas where American citizens reside.

Mr. Chairman, experts are divided about as to the motivations behind North Korea's recent announcement.

Our Nation has intensified its consultations with friends and allies in the region, including members of the Six-Party Talks.

Washington has warned North Korea a launch would be a provocative act that further isolates North Korea. Japan has warned it will consider all options against North Korea, including sanctions on oil and food sales.

China and South Korea have also expressed serious concerns. It is my understanding that the United States is committed to a diplomatic solution still. But in light of these developments, several questions have to be raised. While a diplomatic solution is our preferred solution, is it still possible given North Korea's current actions and statements? How can the United States overcome these stalling tactics? What is the Administration's preferred plan to lower tensions in the region? And what are the Administration's plans to increase the involvement of our allies in the region?

As you had indicated earlier in your statement, Mr. Chairman, the last, according to media reports, former Secretary of Defense, under the Clinton Administration, Mr. Perry, has now advocated the doctrine of preemption that we ought to go ahead now and launch whatever capability that we have militarily to get rid of these launching pads where North Korea may plan to launch an ICBM missile.

Question of preemption now comes into play again. Do we have evidence sufficient enough that this doctrine now becomes a reality or is it still in theory? It doesn't take a rocket scientist to realize that it isn't just aimed at U.S. cities in the West Coast or even to the State of Hawaii or even the Territory of Guam.

The situation and the fact of the matter is in Seoul, Korea alone reside some 10 million people in South Korea and with a distance of only 30 miles from the North Korean border line. I don't think we have to come to Hawaii or the West Coast to see what considerable harm, if in fact the capability that North Korea now has nuclear weapons in its possession.

We can also look to the fact that Tokyo is only about 700 miles with a population of some 13 million people. So if you want to talk about maximizing the capability and the threat that North Korea now poses not only to our strategic and our military interest is the fact that the lives of millions of human beings are at risk if we should do something that will provoke North Korea to conduct an all out military response, what we may consider in our national interests, but certainly it would be against the national interests of our allies in this region.

With that, Mr. Chairman, I look forward to hearing from secretary Hill and again thank you for calling this hearing and hope-

fully we will find some solutions to this very serious problem now before us.

Thank you, Mr. Chairman.

Mr. LEACH. Before proceeding, Tom, do you have an opening statement?

Mr. LANTOS. I would like to say a few words, but I think we have a vote that is pending.

Mr. LEACH. I think we will do it this way then. We will recess for the vote and then come back for your statement as well as for Mr. Burton's and the gentlelady from Guam.

Mr. LANTOS. Thank you, Mr. Chairman.

Mr. LEACH. I think that will be more appropriate. The Committee will be in recess pending the vote. And let me mention to the audience this could be a series of votes that might take up to half an hour. I am not sure, but we will come as rapidly as we can.

[Recess.]

Mr. LEACH. Committee will come back to order and let me turn to the Ranking Member of the Full Committee, our distinguished colleague, Mr. Lantos, for an opening statement.

Mr. LANTOS. Thank you very much, Mr. Chairman. I want to thank you and our distinguished Ranking Member of the Subcommittee for allowing me to say a few words.

Secretary Hill, everybody was disturbed by your lateness but I was hoping that you finally got word that you can go to Pyongyang. So I was rejoicing in this corner.

With its active preparations to test the long range missile capable of striking the United States, North Korea has again grabbed the headlines around the globe. The leadership in Pyongyang is clearly frustrated that the world's eyes have turned from North Korea to Iran and that new concessions were being offered to Tehran, not to Pyongyang.

But these preparations may be more than posturing. North Korea may actually believe that the United States, Japan, South Korea, will be so cowed by Pyongyang's display of military prowess that they will quickly return to the Six-Party Talks laden with new presents.

Mr. Chairman, you and I traveled together to Pyongyang last August, which was my second visit to North Korea, last year. As we discovered, it remains a Herculean task to pierce the veil of the North Korean leadership to ascertain their true intentions.

But if Pyongyang thinks that it can blast its way back to the Six-Party Talks, they are sorely mistaken. A long range missile test would be a major setback to these important talks and only increase the long list of demands from the world's civilized nations.

I, too, am frustrated that the Six-Party Talks have not borne fruit, but it is self-evident that Pyongyang bears most of the responsibility for this unfortunate fact.

North Korea has refused to return to the talks because the United States took long overdue action against North Korea's counterfeiting of American currency and laundering the ill-gotten currency through banks in Macao. Rather than stomp away from the table, North Korea should take the necessary steps to stop these illegal activities.

Let me say an additional word on the subject, Mr. Chairman. Governments like that of North Korea will have to learn, as we hopefully move toward normalization, that we can move toward diplomatic relations at some point, yet we will reserve the right to criticize actions of the government with which we profoundly disagree. And this wholly unrealistic notion that in a totally unrelated arena like the counterfeiting of our currency, a criticism should be cause to walk out of the Six-Party Talks is absurd and will clearly be counterproductive.

Having said this about North Korea, I think it is clear that we are not without blame for the stalling of the Six-Party Talks. The United States has the most skilled diplomatic corps in the world. But when it comes to North Korea policy, our career diplomats have had their mouth taped shut.

I am fully behind the Six-Party Talks. But it is imperative that we find more ways to engage with the North Koreans on a bilateral basis. I am disappointed by the Administration's failure to send our distinguished witness today, Ambassador Chris Hill, one of our ablest diplomats, to Pyongyang to attempt to open up new channels of communication. He was invited to go to Pyongyang, and that invitation should have been accepted.

The Six-Party Talks will get absolutely nowhere, absolutely nowhere, as long as we fail to show basic respect and diplomatic courtesy to the North Korean Government.

The Chinese, Mr. Chairman, also bear their share of responsibility. We appreciate their willingness to sponsor the Six-Party Talks, but Beijing merely pays lip service to the idea of pressuring North Korea to do the right thing, refusing to use their enormous overwhelming economic leverage over Pyongyang.

Mr. Chairman, there are many reasons why the Six-Party Talks are stalled, but nothing justifies a North Korean test of a long range missile. If North Korea carries through on its implicit threat, it may find itself back at the bargaining table some day. But rather than finding a new tray of goodies, they will undoubtedly face an even longer list of demands from the civilized world.

That is not in the interests of the North Korean people, nor the leadership in Pyongyang.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you very much for that thoughtful statement.

Mr. Burton.

Mr. BURTON. I will make my comments very brief, Mr. Chairman. I am anxious to hear what Assistant Secretary Hill has to say. I don't believe that Korea, North Korea, conducting itself the way it has over the last few weeks or months, deserves additional recognition. And bilateral talks right now would seem to me to be rewarding them for bad actions. But I am anxious to hear what Secretary Hill has to say about this, and I am very supportive of the Six-Party Talks.

I think China does have a tremendous amount of influence over North Korea, and if the Chinese decide to put some pressure on the North Koreans I believe that they will start reacting differently than they have in the last few months. So I support the Six-Party Talks, and I am anxious to hear what Secretary Hill has to say about bilateral efforts.

Mr. LEACH. Thank you. We have invited the gentlelady from Guam, Mrs. Bordallo, to john our hearing today. Would you care to make any opening comments?

Ms. BORDALLO. Thank you very much, Mr. Chairman. I want to thank you for inviting me as a special guest on the Committee and my good friend, Ranking Member Eni Faleomavaega from American Samoa, and of course I am honored to be seated next to a distinguished Senior Member, Congressman Lantos, and my good friend who I have traveled recently with, the Honorable Dan Burton.

Good afternoon, Mr. Hill. I do have questions, but I just have a couple of sentences here as an opening and then when we get back to questions, Mr. Chairman, I will ask them.

As you know, Mr. Hill, I represent Guam, a United States territory which sits just 2,107 miles from North Korea's capital city. Some prefer to keep their enemies at arm's length, but due to our geographical location the people of Guam do not have that luxury. We take the threat from North Korea very seriously, and I am here today to ask you a few questions about the launching of a missile that we have heard about publicly and we have been threatened with. The people of Guam are very concerned and as I said, my good friend, Congressman Faleomavaega, mentioned Japan and other countries in the region. But we are a U.S. territory. And for this reason, I am very concerned and look forward to hearing your testimony.

Thank you, Mr. Chairman.

Mr. LEACH. Well, thank you and we are honored to have your presence with the Subcommittee today and I am sure I speak for everyone of saying that the concerns of Guam are the concerns of all Americans.

Our witness is Assistant Secretary for East Asian and Pacific affairs, Christopher Hill. Ambassador Hill has served in Belgrade, Warsaw, Seoul, Toronto. He speaks Polish, Serbo-Croatian, Macedonian, Albanian and some English. He is a former Ambassador to Korea and as well as Poland and we are honored to have you, Chris, and the Subcommittee holds you in the highest esteem.

Please proceed as you see fit, and your full statement will be put in the record and you may proceed any way you want.

STATEMENT OF THE HONORABLE CHRISTOPHER HILL, ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. HILL. Thank you, very much, Mr. Chairman, and let me thank the Members of the Subcommittee, Mr. Lantos. Thank you all for this very timely opportunity to discuss recent developments in United States policy toward DPRK, toward North Korea. I will discuss our efforts to eliminate North Korea's nuclear weapons and nuclear programs through the multilateral diplomacy of the Six-Party Talks. And I will discuss possibility of a North Korean long range missile launch, also their illicit activities, and the plight of North Koreans both inside and outside of North Korea.

On the Six-Party Talks, I want to make very clear that North Korea's nuclear program is not a bilateral program that is facing the United States alone.

The Administration's approach has been, continues to be to keep the focus on the Six-Party process and work closely with our partners to get North Korea back to the negotiating table. We do not want to turn the talks into a bilateral exercise with North Korea and leave our partners, our very important partners, outside the room waiting to hear what happened.

This is a problem that involves them all. Eventually when we get to a solution, and I remain optimistic that we will get to a solution, we will need all of our partners involved, and to have them involved in the solution is to have them involved in the negotiations.

So the time when American diplomats would negotiate with the North Koreans and South Korean diplomats would wait at the airport for word from the American negotiators, that is over. South Korea has a right to be at the table. The other countries in the region have a right and I would say they have a responsibility. This is not just America's problem. It is not just America's responsibility. We need to work together, and I understand that that is sometimes a difficult process and it sometimes takes longer than we want it to take. But I think we need to keep a clarity of vision here, and I think to keep the sense that we will eventually get there through the right mechanism.

Indeed, last September, September 2005, and I agree with you, it was a long time ago, the Joint Statement that the 6 parties unanimously adopted gives a vision of the end point of the Six-Party process, gives a vision of the elimination of all nuclear weapons and existing nuclear weapons, nuclear programs, and in that context from the other parties, those parties were full members of that negotiating process. We look to them for energy and economic cooperation, for security provisions for North Korea, and indeed toward steps toward normalization of the relations with North Korea dependent on or subject to our bilateral policies.

All the parties will benefit from full implementation of the Joint Statement, but North Korea cannot get to the economic, political and security benefits that are in that statement until it returns to the table and starts implementing its commitment to eliminate its nuclear programs and its nuclear weapons verifiably and irreversibly.

The United States is prepared to rejoin talks without preconditions, and we are prepared to continue to talk directly, directly, to the North Koreans, in the context of those talks.

In January of this year, I traveled to Beijing and I met my DPRK and my Chinese counterparts and I delivered that message directly. I told them we were working to get ready for the next round of talks. We were doing our homework to make sure that when we got to that next round of talks we would indeed make progress in it. I told them that what we all need to do is to begin the implementation of this Joint Statement. And I asked my DPRK counterpart what are you doing to get ready for the next round of talks? Are you also doing your homework? Because implementation of these agreements is always the tough part. And so even when you are not in the talks, you ought to be getting ready for them.

I don't think there is any ambiguity or misunderstanding about the United States position. The problem is that North Korea continues to appear not to have made that fundamental decision to

denuclearize and begin a new relationship not only with the United States but also with the international community.

Still, active diplomacy between the United States and other parties is continuing, and we are trying to establish a basis for North Korea to make the decision that is so obviously in its own interest.

Unfortunately, North Korea has been engaged in some illicit activities. The DPRK has referred to U.S. law enforcement and financial regulatory measures as sanctions and has claimed that these measures are blocking progress in the talks.

I think here, too, we need to be very clear. The United States will continue to take law enforcement actions to protect our currency and our citizens from these illicit activities. The measures we have taken are targeted at specific behavior, and contrary to North Korean assertions, they are not related to the Six-Party Talks. We cannot allow some countries to counterfeit our currency because we have some negotiations that are very important. If we go down that road and say you can counterfeit our currency because we have some negotiations going on, what is the message that goes out to the world? I mean how can we live with a policy like that? And I must say how can I as a person from the State Department come up to the Congress and justify illicit activity?

We cannot and I think we need to be very confirm firm on this point. We need to continue to pursue this problem and make North Korea understand the way other countries understand, that it is simply not acceptable.

As you know, there are indications that North Korea is preparing and has been engaged in what appears to be getting ready for a possible launch of a long range missile. We can't speculate at this point on their intentions.

We are working closely with our friends in the region and elsewhere to discourage the DPRK from taking this highly provocative action. We are consulting closely with other members of the UN Security Council and we found general agreement, in fact we have found very strong agreement throughout the world that a DPRK launch would be a serious international security matter.

And while a launch would raise questions about the future of the Six-Party Talks, I want to also be very clear that we are prepared to—we continue to be prepared to return to those talks without preconditions. We want to find diplomatic solutions.

United States is also deeply concerned over the grave humanitarian situation in North Korea and in particular the plight of North Korean refugees.

We have made very clear to North Korea that discussion of its human rights record will be a part of any future normalization process. Human rights is a matter of international concern. It is a matter of international standards. Every country, every country in the world, including our own country, needs to be prepared to have its human rights records scrutinized. Every country needs to understand that human rights is something every country needs to work at every day and we cannot have a situation where one country; that is, North Korea, has a different approach that is somehow the exception to this rule.

The United States has recently resettled some North Korean refugees in the United States procedures to consider North Korean

nationals for resettlement is the same as for nationals of other countries. We will consider any North Korean brought to our attention by the United Nations High Commissioner for Refugees, by U.S. Embassies and consulates and reputable nongovernmental organizations. In all cases host government concurrence is required for refugee processing on foreign territory, and we continue to press China in particular to live up to its international obligations on processing North Korean refugees. We will continue to work closely with the Congress and in particular with the Subcommittee as we pursue this important effort.

That concludes my prepared remarks, and, Mr. Chairman, I look forward to any and all of your questions.

[The prepared statement of Mr. Hill follows:]

PREPARED STATEMENT OF THE HONORABLE CHRISTOPHER HILL, ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

Thank you, Mr. Chairman, for this timely opportunity to discuss recent developments on U.S. policy with respect to the DPRK. I'll focus my remarks today on our effort to achieve the elimination of North Korea's nuclear weapons and nuclear programs through the multilateral diplomacy of the Six-Party Talks; update you on the possible launch by North Korea of a long-range missile; and discuss our efforts to stem North Korea's illicit activities and to ease the plight of North Koreans both in and out of North Korea.

SIX-PARTY TALKS

North Korea's nuclear program is not a bilateral problem facing the U.S. alone. It involves the major countries in the region and the international community as a whole. We want to achieve the denuclearization of the Korean Peninsula through multilateral diplomacy, the Six-Party Talks. The Administration's approach is to keep the focus on the Six-Party process, working with our partners to get the North Koreans back to the negotiating table. We don't want to bilateralize our dealings with the DPRK.

The six parties—the U.S., Japan, the ROK, China, Russia and the DPRK—unanimously adopted a Joint Statement on September 19, 2005, which provides a vision of the end-point of the Six-Party process—from North Korea, the elimination of all of its nuclear weapons and existing nuclear programs; and in that context, from the other parties, energy and economic cooperation, security provisions, and steps toward normalization subject to bilateral polices.

All the parties will benefit from full implementation of the Joint Statement. But North Korea won't be on a path to get the economic, political and security benefits envisioned in the Joint Statement until it returns to the table and starts implementation of its commitment to eliminate all of its nuclear weapons and nuclear programs, verifiably and irreversibly. We are prepared to rejoin the Talks without preconditions, and to continue to talk directly to North Korea in the context of those Talks. I traveled to Beijing in January, to meet my DPRK and Chinese counterparts, to deliver that message directly. I told them we were doing our homework to begin implementation of the Joint Statement. I don't think there's any ambiguity or misunderstanding about the U.S. position. The problem we face is that North Korea appears not to have made the strategic decision to eliminate its nuclear weapons and nuclear programs in exchange for a new relationship with the international community. Still, despite this challenge and the specific challenge of the DPRK's missile launch preparations, active diplomacy between the U.S. and other parties is continuing, to establish a basis for North Korea to make the decision that we firmly believe is in its interest.

POSSIBLE MISSILE LAUNCH

As you know, indications are North Korea is preparing for the possible launch of a long-range missile.

We can't speculate at this point on what North Korea's real intentions are. We are working very closely with our friends and allies in the region and elsewhere to discourage the DPRK from taking this provocative action. The President and Secretary Rice have contacted many of our partners, including those in the Six-Party

Talks. We are in close consultation with other members of the UN Security Council and have found general agreement that a DPRK launch, violating previous commitments including the 2002 Pyongyang Declaration with Prime Minister Koizumi of Japan, would be a serious international security matter.

While a launch would raise questions about the future of the Six-Party Talks, the U.S. remains prepared to return to the table, with no preconditions.

ILLICIT ACTIVITIES

North Korea is engaged in illicit activities. The DPRK calls U.S. law enforcement and financial regulatory measures "sanctions" and asserts they are blocking progress in the Talks. The United States will continue to take law enforcement actions to protect our currency and our citizens from these 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 to brief the DPRK, but it did not respond to that offer until February. On March 7 in New York, a Treasury-led interagency team met with DPRK officials. The purpose of the briefing was to explain our recent regulatory actions to protect the U.S. financial system from abuse.

In particular, the team described the reasons for Treasury's September 2005 designation of a bank in Macau, Banco Delta Asia, under Section 311 of the Patriot Act as a "primary money laundering concern." They discussed our ongoing efforts with authorities in Macau to resolve the issues that led to that designation.

As stated in the Federal Register 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 U.S. currency.

Our designation of BDA—which warns our financial institutions about doing business with the bank—has produced encouraging results. Macau has adopted new anti-money laundering legislation and and compelled the bank to institute more effective internal controls. U.S. 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 manage our financial system as we deem appropriate in accordance with U.S. law.

The September 19, 2005 Joint Statement 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. That the DPRK is using the Macanese action as a pretext not to return to the Talks—where benefits would dwarf what we're talking about with BDA—makes us seriously question Pyongyang's commitment to implement the September 19 Joint Statement, and its willingness to denuclearize.

NORTH-SOUTH COOPERATION

The U.S. supports South-North dialogue and reduction of tensions on the Korean Peninsula.

The ROK continues to pursue three projects with the DPRK: the Kaesong Industrial Complex; the opening of transportation corridors across the DMZ; and the Mt. Kumgang tourism site, operated by the private Hyundai Asan company.

The United States supports inter-Korean cooperation and reconciliation. That said, we want to find out more about various arrangements at Kaesong.

With that in mind, the Principal Deputy Assistant Secretary of State for the Bureau of East Asian and Pacific Affairs, Kathy Stephens, recently visited the Kaesong Industrial Complex. Our Ambassador in Seoul, Sandy Vershbow, subsequently also went to Kaesong with other ambassadors to the ROK. The President's Special Envoy for Human Rights in North Korea, Jay Lefkowitz, has also been invited to visit Kaesong by the South Korean Ministry of Unification and hopes to make the visit next month.

These visits are a chance to discuss with Kaesong officials, including DPRK representatives, matters such as work environment, recruitment and retention of workers, and how workers are paid and treated.

We will continue to monitor developments on the ground at Kaesong.

REFUGEES

The U.S. is deeply concerned over the grave humanitarian 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 and to improve protection and assistance for refugees from the DPRK. We are mindful of the important role of the ROK in this regard.

We have been working with other governments and refugee organizations to find ways to deal with cases of individual North Korean asylum seekers as they arise.

We have recently resettled some North Korean refugees in the U.S. 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), U.S. Embassies and Consulates, and reputable non-governmental organizations. In all cases, host government concurrence is required for refugee processing on foreign territory. The U.S. continues to press China to live up to its international obligations with respect to processing North Korean refugees. We will continue to work closely with the Congress and with the Subcommittee as we pursue this important initiative.

HUMAN RIGHTS

The Department has worked to identify concrete ways to address the North's human rights abuses.

For the past three years, the U.S. has co-sponsored resolutions condemning North Korea's human rights abuses at the UN Commission on Human Rights. In 2005, the U.S. co-sponsored an EU-tabled resolution on DPRK human rights at the UN General Assembly, marking the first time the issue had been addressed by the body. The U.S. has provided funding to the NGO Freedom House for a series of three conferences on the human rights situation in North Korea and on other related projects. The U.S. 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 U.S. has made clear to North Korea that discussion of its human rights record will be part of any future normalization process.

HUMANITARIAN ASSISTANCE

We support the continued efforts of the World Food Program to provide assistance to the DPRK's most vulnerable populations.

Since 1995, when the magnitude of the crisis in North Korea was first identified, the United States has generously supported WFP's activities in that country, providing about 2 million tons of food assistance over the last ten years.

We will base any decision on whether to contribute food to WFP's new Protracted Relief and Recovery Operation for North Korea, as always, on assessed needs, competing needs elsewhere, and the ability to monitor the distribution of that assistance, to assure that our food gets to its intended recipients.

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

Mr. LEACH. Thank you very much, Ambassador Hill. Let me just begin with the Taepodong 2 missile issue. As you know, former Secretary Perry, as well as the former Vice President Walter Mondale suggested a preemptive strike ought to be on our planning agenda.

How do you see that proposal?

Mr. HILL. Well, I am speaking, I think, for the Administration but I must say speaking personally I am not sure preemptive strike is the way to go. I think what we have been doing, making very clear what this launch would mean and working very closely with allies, working very closely with our friends, our partners, and also working diplomatically through that, but also preparing ourselves

to protect our own people and in that regard I certainly noted the comments of Congresswoman Bordallo on this subject. We have an obligation to our people to protect them, and I can assure you that our Government from the President on down are very much committed to that.

So I think we have an approach, and I believe our approach will be effective.

Mr. LEACH. Several times this month, the DPRK has released rather strongly worded military statements about our aerial surveillance, and in the past it led up to an attempted interception of an RC–135, which is a very unusual hostile act by North Korea.

Do you think that type of a circumstance could develop again and, if it did, what would its consequences be?

Mr. HILL. Well, again, it is sort of an analytical question of whether the DPRK is prepared to do something like that. I think it would be a big mistake on their part. And I must say with respect to some of these public statements that we have been reading from the DPRK I wish they would put as much vigor into the Six-Party process as they do in some of these public statements.

Mr. LEACH. Which brings me to the possibility of direct talks as well. I think your case for the Six-Party Talks is thoughtful, arguably compelling, but that doesn't mean they cannot be——

Mr. LANTOS. We can't hear you here, Mr. Chairman.

Mr. LEACH. Part of that is my mother's fault. She didn't give me a William Jennings Bryan voice.

But the case for the Six-Party Talks is clearly powerful. My query is not questioning that, but questioning whether they ought to be supplemented by direct discussions and, for instance, one of the structural quandaries that seems self-evident as I have looked from afar, although once I was in Beijing when these talks were going on, is that you have a relatively small number of people from all countries present and particularly of concern from North Korea, and the people that are represented are credible diplomats. But the decision-making presumably in North Korea is done by other people that are going to be calling the final shots. And one of the advantages of a direct conversation would appear to be that an American diplomat could speak with a larger sector of the North Korean governmental decision-making process and that might be very critical in this kind of situation, to be able to directly lay out the alternatives and also to bring people into personal kinds of stakes in the discussions.

One of the things that is human nature, if you take a legislative body, lots of decisions get made that a legislator doesn't particularly agree overwhelmingly with, but if a legislator is part of the discussion and the decision-making it is easier to go along with.

And I just think at a very human level, the notion of United States having direct contact with the decision-making process in North Korea itself might be very helpful. Does that strike you as a credible perspective or not?

Mr. HILL. Well, Mr. Chairman, I certainly understand, I completely understand the logic of what you are saying. But let me make a couple of points on this.

It is true that we have been in abeyance for some 9 months. That is, 9 months is a long time for as anyone who has ever had a baby

knows. And certainly, you know, I would like to see the time frame shortened.

The question is, really, in how we talk to the North Koreans. Really, these are often tactical questions. We have plenty of direct meetings in the context of the Six-Party Talks. Throughout the summer negotiations in Beijing, I spoke repeatedly and privately with my DPRK counterpart. I even had—I had meetings with him after hours. We really tried to establish a means of, a better means of communication. I think what we have to avoid is a situation where the DPRK looks to direct talks not as a means to strengthen our communication or speed up our ability to get through the problems, but rather as a way to weaken the fundamental mechanism that we have that I believe is the right one. That is the Six-Party process.

So let me say I don't think—I don't want to rule out or rule in a trip to a place like Pyongyang, although I must say it is a little problematic to be invited to Pyongyang at a time when they are aiming a missile. I think that might give a bad sign, a bad signal on our part, to understate that point.

So, but I certainly understand what you are saying in terms of some of the decision-makers may not be at the places we want them to be. Now, for example, our delegation to the Six-Party Talks consists of an interagency delegation. We bring different people there. We have people, representatives from the National Security Council staff, we have representatives from the Joint Chiefs of Staff, from the Office of Secretary of Defense, we have a pretty broad group of people. And when I looked over at the table to the extent I could tell who works for where in the DPRK delegation, I am not sure they had quite as broad a group. So that could argue for the idea that you have to go somewhere else to meet the right people, or it could argue something else. It could argue that they have not brought a broad enough assortment of people to really negotiate the matter.

And then we get into the fundamental question that I must confess keeps me up at night. Are they serious? Are they serious about reaching an agreement through this diplomatic process? Do they really want to do it? Because when I get invitations issued through the press that I should be summoned to Pyongyang, I worry. Do they really want me there, in which case is that the best way to invite me? What are they proposing? Why are they doing this? So fundamentally, the question I have is, are they serious about getting this done? Do they have what it takes to get the deal done?

Mr. LEACH. Fair enough. I am going to turn to Mr. Faleomavaega. Before doing that I just want to make one observation. There is some commonalities to all negotiations and if you take the United States and labor management, there is generally an effort of a labor union not to have its top person negotiate and in a business never to have its top person negotiate, and you have to get to the top people to get decisions made.

And one of the advantages of a high level American demarche to North Korea is that you talk to the people that make decisions. And you skip the—that has a tendency to precipitate decision-making and always in labor-management relations you start out low

and by the time you get toward the top you get decisions made. And unless you get to the top, you often don't.

And so I would just indicate again that the logic of an American demarche makes sense. I take seriously your concern that now we have a new threatening missile on the launch pad. But I would tell you we have been going on many, many, many months without a missile on the launch pad and we still were playing the game of staredown, and I think it ought to be reconsidered.

Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I was listening closely to Mr. Lantos' earlier statement about the capability or the ability of our chief negotiator, as is Secretary Hill, to meet directly with the North Korean counterparts. My question is and I think in line with what Mr. Lantos has expressed concern about, while it is good that Mr. Hill is given the assignment to meet with our counterparts, but is there a higher directive from the Administration telling Secretary Hill, well, meet with them but you cannot do this, you cannot do that? I just wanted to ask Secretary Hill what are the parameters of your ability to show flexibility in how you can negotiate with North Korean negotiators?

My point is there, is that while we give some indication, we are willing to negotiate on a bilateral basis but before even meeting with them your hands are tied by a higher authority within the Administration.

And I just wanted to know from Secretary Hill if you are given complete flexibility to negotiate on that basis or what is the sense of meeting with the North Koreans if your hands are tied, or is there a different policy from what we are doing as opposed to maybe the other members of the Six-Party Talks, China, South Korea, and Russia? I just wanted to kind of get that, solicit that from you, Mr. Secretary. What kind of flexibility are you really given by Secretary Rice or other members of the Administration in reference to your ability to negotiate directly with the North Koreans?

Mr. HILL. Well, I think what is important for a negotiator is not to go beyond his or her negotiating instructions, and there is a very practical reason for that. You don't want to agree with something and then have to come back later and say, uh, I went too far and then pull it back.

I believe I have had adequate flexibility to negotiate. I must say I think I have a lot more flexibility than my North Korean counterpart appears to have. My problem has not been flexibility for putting proposals on the table and working it through. My problem has been I haven't been able to get the North Koreans to react to some of these ideas.

For example, in anticipation of the next round, which is when we take the statement of principles and start implementing it, that is when I would sort of like to hear from the North Koreans what do they have in mind. Are they going to give us a list of a declaration of what they have got?

You know in a negotiation, nothing is agreed unless all is agreed. So I am not asking them to give that away while I haven't given something. But I want to see some sign that they are moving for-

ward on this. And what was worrisome to me was I couldn't see that.

I saw them getting sidetracked on the issue of the illicit activities. Well, we never in the September agreement said that we would ignore counterfeiting in order to get a nuclear deal. We never agreed to ignore these problems, and they know that. So my concern is not, has not been my flexibility, it has been theirs.

And I think this goes back to the Chairman's comments, you know, do you need to, do you need to bring the, you know, the top people in at a certain stage? I feel that I have had the flexibility—I had the flexibility to negotiate the best deal I could on this agreed statement.

Obviously, as any negotiator knows, you are burning up the telephone lines back home, trying to justify something that you want in there because you know that is the only way you can sell the deal to your partners, and so I had a lot of discussions like that but at the end of the day I had what I needed.

I am not sure the North Koreans do. And what I said earlier, what keeps me up at night is I am not sure whether they want to.

Mr. FALEOMAVAEGA. You have indicated earlier that probably your greatest concern in these ongoing negotiations with them has gone on now for 3 to 4 years, is North Korea serious about this negotiation process? If my memory serves me correctly, I think it was North Korea who initiated the idea, we want to conduct bilateral talks with the United States.

What was our response? We advocated the idea of multilateralism by dragging China and South Korea and Russia and a couple of other countries as part of our response to North Korea's desire to have bilateral relationships.

And I suppose North Korea's perception in taking this initiative on wanting to meet just with our country was the fact that we had exercised unilateral action in our dealings with the country like Iraq.

And this was some of the concerns also that have been expressed by some of our policy makers. While we exercise unilateralism toward Iraq, we have taken the policy of multilateralism toward North Korea. And as you know, both countries are very—we have a crisis in our hands obviously.

I strongly support the concept of a Six-Party Talks. Recently, we have somewhat been critical of the fact that South Korea really is bent on the idea that they want to deal with North Korea. These are the same people. They have families there, even though politically divided, but as you know, as a result of the Korean War, the separation between North and South Korea is a real issue with the Korean people whether they are from North Korea or from South Korea. And obviously, 6 years now, this idea of multilateral negotiations, we don't seem to have—we have not been very successful.

And I just wanted to solicit your thoughts. You say that we are frustrated. I suppose North Korea is probably just as frustrated given the fact you have one country having to deal with six nations in the negotiating process. So I am not trying to advocate a support of North Korea, but as a negotiator, what do you do if you are the one there and you have six other countries saying, well, we want this and we want that? Don't you think that North Korean leaders

are just as frustrated in the process? We initiated that process, not North Korea.

Mr. HILL. Well, let me say, if you look at the text of the September agreement, there is a reference in there in section 2 that says, the DPRK and the United States will take steps to normalize their relations. So subject to respective bilateral policies, which means we need to have serious discussions with them on issues that are important to us in normalizing a relationship. And I have to tell you one of them is they have got to stop these illicit activities, they have to stop counterfeiting our currency. And another issue that is important to us, important to our people, and I know it is important to the Congress, is human rights.

So we have some bilateral policies and maybe they have some of their own, but if they are interested in a normal relationship with us they should come to the Six-Party process. We are committed to it. We are committed to it in a multilateral instrument.

So to say that they find it complex to go through the Six-Party process and somehow time consuming and then stay out of the process for 9 months, I am not sure I understand what they are trying to do in that case.

The Six-Party process is a very broad platform on which they can build a number of successful policies, which will ensure their security and ensure their entry into the international community and, I think importantly, begin to build an economy there.

I think—I hope you would agree with me that one of the most discouraging aspects of this missile program is that if you rank-order-the top 1,000 problems that North Korea needs to address, developing missiles would not be one of them. North Korea has lots of issues they need to get serious about.

And if they come to the Six-Party process—and by the way, you describe a situation where we are all ganging up on them. We are not all ganging up on them; we really are not. And by the way, it is done in a very—the Chinese are the hosts, and we have a pretty well-heeled set of procedures for how we handle this.

I don't think they feel ganged up on. Rather, I think it is not a bad thing for the DPRK to sit in a multilateral process and be able to deal with the other members of that process in a very respectful way.

So I think this is really a game they should want to get into, and why they have stayed out of it for 9 months is something that is hard to understand. But again I go back to the point I have already mentioned twice: What keeps me up at night is the thought that maybe they don't want to get to the end of this road.

Mr. FALEOMAVAEGA. You indicated earlier that one of the concerns that we have expressed to North Korea is about the counterfeiting of our currency and several other things that we are concerned about. As I recall, when the former President, Kim Dae Jung, was advocating strongly the sunshine policy of trying to reestablish good relations between South Korea and North Korea irrespective of the defenses, immediately, immediately this Administration condemned this whole idea of being friendly with North Korea; and we have had some very serious problems with that.

There was an article yesterday that came out of the Wall Street Journal where now South Korea is urging us to have direct talks

with North Korea, and that, to me, is another indication that South Korea seems to be taking a different tack in how we can best approach and deal with North Korea. And for us not to insist that the six-party multilateral talks was the only way to proceed, I wanted to ask your comment, because it seems that we don't——

Mr. LEACH. If I could interrupt you, we will come back in the second round.

Mr. FALEOMAVAEGA. I will wait for the second round, Mr. Chairman. I am sorry; I did not mean to be so long.

Mr. HILL. I just want to assure you we have had many, many direct contacts, direct meetings, both at the conference center, away from the conference center. But we are not going to do that if it weakens what it is we are trying to achieve, which is to create a multilateral process to deal with the multilateral problem.

Mr. LEACH. Mr. Burton.

Mr. BURTON. Let me just say that I hope that you and the State Department don't get the impression that because of the number of people that are expressing or advocating bilateral talks that the majority of the Congress feels that way. I don't believe that is the case. Maybe on this Subcommittee it is the case. But I don't believe it is the case in the Congress of the United States.

I am old enough to remember when the Chinese came across the Yalu River and saved North Korea's bacon. China is a very strong supporter and ally of North Korea, and North Korea does listen to China. And China has a vested interest, in my opinion, in whether or not they develop intermediate and long-range missiles with nuclear weaponry, because who knows what the future holds in store for China and North Korea, or Japan and North Korea, or Russia and North Korea, or South Korea and North Korea, or the United States and North Korea?

Every one of us has a vested interest in whether or not they develop nuclear weapons with short-range and intermediate range capability. Everyone ought to be interested in this. I believe that the Six-Party Talks are the right venue. And if we start acquiescing to what North Korea wants right now, it is appeasement, and appeasement never works when you have got a bully.

In a school yard, a bully pushes you around, and if you start giving way to him, he will push you further. In the world theater, if the bully pushes you around, he is going to take advantage of it and keep pushing you and pushing you. The Six-Party Talks are, in my opinion, the way to go. I don't always agree with the State Department, but I do in this particular case.

And I think that if North Korea wants to have unilateral talks with the United States, and if they want to have food for their starving masses that are starving because of their Communist system, and if they want to have support from the other countries involved in the Six-Party Talks, then they need to start realizing that they need to negotiate instead of fooling around like they have been. If they start doing that, then I will be one the first persons to say, okay, they now have started showing their mettle and showing they want to negotiate. Now it is time for us to sit down and start negotiating one-on-one on what we can do to help their country to keep from starving to death because of their Communist system and other things.

But for you to leave here, or for the State Department or anyone watching this on television to leave here thinking that the vast majority of the Congress of the United States is in favor of giving up on Six-Party Talks and going to bilateral talks at this point because of the things that North Korea is doing with counterfeiting and threatening with an intercontinental ballistic missile test and other things, they are dead wrong. I don't believe that the Congress feels that way.

You can make any comment you want. I have the vented my spleen.

Mr. HILL. Thank you. The only impression I have is that the Congress is very concerned about this issue and wants to see progress. And what I want to do is assure the Congress that I am doing everything I can, that really I do consider this a diplomatic process that is achievable, provided—provided the North Koreans are interested in that.

Mr. BURTON. And I believe that.

Mr. LEACH. Before turning to Mr. Lantos, let me make it very clear, no one on this Committee has suggested abandoning the Six-Party Talks. So be careful of straw man representations. The only question is whether these talks should be supplemented by direct negotiations.

Mr. BURTON. Shakespeare said a rose by any other name would smell as sweet.

Mr. LEACH. Mr. Lantos.

Mr. LANTOS. Thank you, Mr. Chairman.

A couple of thoughts and then a question, Mr. Secretary. When I first visited North Korea in January last year, then when I visited North Korea with our distinguished Chairman in August of last year, I detected a very significant gradual, but perceptible change in the climate and in the atmosphere in which our discussions unfolded.

When I first visited in January, the climate of the discussions were as bitter cold and frigid and unbending as was the weather. By the time I finished the first visit, 4 days later, it was a considerably more relaxed atmosphere.

Then Chairman Leach and I went there together in August. The discussions with the political counterparts started out at a more cordial level and ended up considerably more so. And our discussions with the military leadership that we had also underwent a parallel, although not as pronounced, improvement in the atmosphere.

As a matter of fact, toward the end of our discussions, several very constructive suggestions by Mr. Leach and some by me, attempting to replicate the ping-pong diplomacy that we engaged in with China, exchanging wrestling teams or inviting the Pyongyang Circus were given, it appeared to us, fairly serious consideration.

Now, the goals that I had—and I don't presume to talk for my friend, Mr. Leach, although I think he shares these goals—was to have basically one message. The proper venue for the basic issue is the Six-Party Talks; and I fully agree with the Chairman that I think most, if not all, of the Members of Congress favor the Six-Party Talks as the only relevant venue for nuclear and arms discussions.

But simultaneously there could well be bilateral venues for discussing a number of other issues. We can talk and we can chew gum at the same time, and occasionally these activities reinforce one another.

I would like to ask you, in the hope that the current crisis will deescalate as saner councils prevail in Pyongyang, what is your prediction with respect to the reaction of the other members of the Six-Party Talks, were North Korea to go through with this absurdly foolish or foolishly absurd threat of using a missile?

Mr. HILL. Well, I don't—I don't want to presume to speak for the other countries.

Mr. LANTOS. No. Just your views.

Mr. HILL. We have been in close contact with all of the other countries, and it is very clear to me that there is a real unanimity of views on the subject of this missile launch. All the countries have made very clear that this would be a very, very serious problem indeed. Some countries have predicted that this would have effects, major effects on some of their bilateral programs with the DPRK.

Mr. LANTOS. Would you be more specific?

Mr. HILL. South Korea has particularly noted that this would be a very negative development which would have repercussions on its ability to carry on North-South policies; and some of these North-South policies are independent of the Six-Party process, so South Korea has made very clear that this would have an effect.

Japan has also signaled that a missile launch would have a very definite effect and there would likely be actions in Japan that would aim at some sort of sanctions regime.

I think we have also made very clear that this would have—there would be actions on our part, and we would look to have a discussion and some serious efforts.

Again, I don't want to get too specific, because I cannot speak for all of this myself, but we would be taking up this issue in the Security Council.

I hope the DPRK understands that if this was an effort to intimidate, it has had the opposite effect. I hope the DPRK understands that if this is an effort to make the DPRK safer and more secure, it also, in effect, would have the opposite effect.

You know, countries can protect themselves by various means. Usually you start with good relations with your neighbors as the best means of protection, and then you build out from that—membership in multilateral structures, cooperation among militaries. And I think the DPRK has really gone in the wrong direction, and I hope they understand that they need to move in another direction.

Mr. LANTOS. May I ask a corollary question, Mr. Chairman?

Mr. LEACH. Of course.

Mr. LANTOS. Thank you. In your meetings with the North Koreans, Mr. Secretary, directly or inferentially, did the issue arise that I alluded to earlier, namely, the North Koreans will have to understand that under the very best of circumstances, the United States, either at the governmental level or certainly at the congressional level, will raise awkward, difficult, embarrassing issues as we do with all other countries.

We have long-standing diplomatic relations with Russia, and four Members of Congress, Senators McCain and Lieberman and Congressman Dreier and I just wrote to all the heads of State of the G7 cautioning them about the G8 summit upcoming in St. Petersburg, urging them to meet separately and privately before or after.

We have long-standing relations with Saudi Arabia, but the State Department human rights report details in excruciating minutia the horrendous human rights record which exists with respect to women and others.

Have you made any attempt to explain to your North Korean counterparts that even under the most ideal circumstances, under the most constructive pattern of development any of us can foresee, they had better brace themselves for criticism along a full spectrum of items, because this is the nature of a free society?

Mr. HILL. Mr. Lantos, I have done that. I have tried to make very clear that they should not regard human rights as some kind of weapon to be deployed against them, but rather as an affirmation of an international value. And if they are going to—if they aspire to membership in the international community, they must not only aspire to a better human rights record, but also understand that criticism of one's human rights record is something to be expected and, I would even argue, welcomed.

I have also taken the liberty of saying to them and to others that the United States subjects itself to these standards. It is not always pleasant to hear people from other countries criticizing our human rights record. We are very proud of our human rights record, as we should be; and so it is difficult to hear other people have a different perspective. But that is simply—that is something that everybody has to get used to.

And I have also made the point that a human rights record is not a pass-fail matter. A good human rights record is something you have to work on every day of the year. If you have not done something to work on your human rights record on a given day, chances are you are going to have to do it the next day, because there is always something that needs to be worked on. And our country is no exception.

So I have had this discussion. But in anticipation of a follow-up question on what was the response, I am not sure——

Mr. LANTOS. That was my question.

Mr. HILL. I am not sure it was all fully absorbed, and this is why they need to be present in the Six-Party process. They need to have these discussions, have more of these discussions.

And in this regard, I really was very pleased when I heard of your trip there and when I had the opportunity to talk to you after your trip. I think these sorts of discussions are very important.

I would like to make one other point which is in the September agreement, the Six-Party agreement. We have taken up many, many aspects of what the DPRK says it wants. It was concerned about security; we addressed security concerns. It was concerned about having an eventual peace mechanism on the Korean peninsula; that is also there. It is concerned about energy; energy is there. It is concerned about membership in international institutions; that is all there as well.

So, as I said, this is a very broad—I would say a pretty sturdy platform. I know it is tough that for 9 months we have stood on this platform and not been able do build structures on it, but I still think it is the right way to go; and I think we have to draw some self-confidence from the fact that we have built something that is appropriate and we need to stay with it.

Mr. LANTOS. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

Mr. LEACH. Mr. Sherman.

Mr. SHERMAN. Thank you, Mr. Chairman. I like the title of these hearings, "Is U.S. Policy Up to the Challenge?" The obvious answer is, "No."

It has not been, as every year North Korea builds nuclear bombs. They have got about 10 now as far as I can tell from unclassified sources. My theory is they will get about 15 to protect themselves from the neocons; the 16th goes on eBay.

There is a lot of focus on the intercontinental ballistic missile test. I have got news for the North Koreans. You don't have to be a rocket scientist to smuggle something into the United States about the size of a person. It has been done; you could. And a nuclear bomb could easily be smuggled into the United States in a bail of marijuana.

So whether or not they have the missile, they certainly have the bomb. They have got more bombs every year, and we have not been up to the challenge of stopping them.

The reason is, we don't have enough carrots and we don't have enough sticks. And we send great men like the Secretary here out to negotiate, but we tell them, you can't give the North Koreans a nonaggression pact, so go out there and use your skill to convince them they don't want one. But more importantly, we don't give you the ability to turn to China and say, if you don't occasionally interrupt your subsidies to North Korea, as necessary in a coordinated plan, to put some pressure on them to get them to do the right thing, then your trade with the United States could possibly be slightly a little bit temporarily interrupted.

And the reason I don't think you have been successful—and every day they are building nuclear bombs, so I know you have had some success on the diplomatic front, but in terms of the physics of it, the uranium neutrons continue to be bombarded with protons, or whatever it is.

And I think, Mr. Secretary, the reason you have had a problem is that you are outranked by the chairman of Wal-Mart. And in determining what is important to our country, cheap imports from China come first; and then we send you out there to try to convince the Chinese with nothing but your good looks to convince them. And you have done an admirable job, given how little you have been given in the way of tools; and I am not commenting in any way on your good looks, but that tool, in and of itself, has not been sufficient.

Has there been discussion, Mr. Secretary, at the State Department of hinting to China in some way that its access to United States markets, which has allowed them to build the largest trade surplus in the history of bilateral trade, could possibly be slightly,

occasionally impaired if they are not more assertive with regard to North Korea?

I am hoping it is a yes-or-no answer. Have there been discussions of that or not?

Mr. HILL. Mr. Sherman, I know you always prefer yes-or-no answers, and I prefer them, too; but it is just not a yes-or-no question.

Mr. SHERMAN. Have there been such discussions?

Mr. HILL. There have been discussions about our relationship with China and what are the aspects of that relationship that are most important to us and where do we need from the Chinese some changes and where do we need some greater cooperation.

Mr. SHERMAN. Has anybody at any of those meetings said, And we might not let the next boatload of tennis shoes come into the Long Beach Harbor if we can't get their attention?

Obviously, you have had meetings about what our relationship with China is. Has anyone in our meetings suggested any impairment or threatened impairment or hint of threatened impairment that the Chinese would notice regarding their access to United States markets?

Mr. HILL. Well, I think the American people look at China and see a very large country, a very important country, a country with which we have many—have a very multifaceted, complex relationship.

And I think the American people look at the situation in North Korea and they ask, why can't we get the North Korean—their closest ally and friend, China, to do more? And I suspect that if the American people had the view that somehow China was not doing what it could do, I think the American people would have their attitude to China adjusted accordingly.

But, in short, these are—you are asking sort of very broad concepts here of how to get China to do more on North Korea.

What I can assure you is that North Korea is one of the most important issues we discuss with the Chinese. We raise it at very, very senior levels, including our President raised it with the Chinese President. We continue to have a very important discussion with the Chinese on it, and we have made progress with the Chinese. But I think you will find from the Chinese a certain difficulty that they have in convincing the North Koreans.

Mr. SHERMAN. They could be more convincing if they went a week without delivering subsidized oil.

And I am loathe to say that it is the fault of our constituents that they have not embraced or developed or forced upon us a better foreign policy. If you ask what the American people think, it is that their State Department and Congress should devise a policy.

But if you really ask them, are you willing to go a day without tennis shoe deliveries in order to move forward with a plan to prevent North Korea from developing nuclear weapons, they would say that even the best tennis shoes will not allow you to run away from the radiation if the nuclear bomb explodes.

So I think the American people are not behind us, they are ahead of us.

Let me ask, though, a similar question.

Have there been discussions of changing our policy toward Chechnya as part of an effort to secure Russian support with re-

gard to the two greatest threats to our country, the Iranian and North Korean nuclear weapons programs, or either of them? And I realize Iran is outside your bureau's responsibility.

Mr. HILL. So are Chechnya and Russia.

Mr. SHERMAN. That shows you the bureaucratic problem we have. Your problem is to do something about North Korea, and yet you cannot turn to Russia and say, we need your help on this, and we can do this or that with regard to Russia, because Russia is not in your department. So I think you would be apprised of any multifaceted effort to get Russia on board.

Are you aware, whether it would be in your department or not, of thoughts that we need to link—whether it is trade, whether it is Chechnya, whatever the issue is—to get what we absolutely need, which is Russia's and China's support on these nuclear issues?

Mr. HILL. First of all, I have talked to the Russians on many occasions. In fact, I went to Moscow a few months ago to discuss the issue of North Korea.

Mr. SHERMAN. But you were not authorized at that time to talk about Chechnya, were you?

Mr. HILL. I did not discuss Chechnya.

Mr. SHERMAN. So we are trying to get them to do what we want, but we are not authorized to talk about what they want. You would have to have spectacularly good looks under those circumstances.

Mr. HILL. Look, I would like to keep the focus—to answer your question, I would like to keep the focus on North Korea.

North Korea is engaged in programs that nobody supports, including their own neighbors—South Korea, China and Russia. The problem has been that those neighbors have not been able to, by themselves, convince the North Koreans to change.

Now, the question is, do these neighbors have points of leverage that they could use that they are not now using? And I think any neighbor has leverage. Not the sum total—or no neighbor wants to use all of the leverage that it might have on a neighbor, so—China will live with North Korea or live with a Korean state on its border for the rest of history, so they may have concerns about how they might handle that in terms of stopping fuel deliveries and things like that.

But I can assure you that these issues have not been pressured not because they haven't been thought of, but because they are difficult issues. And when you talk about how neighbors treat each other, it could be—it can be very difficult.

Mr. SHERMAN. I assure you that China puts an extremely high value on its access to markets, that they have concluded that Wal-Mart is more powerful in this country; and the desire of a business community to make billions on imports is far more powerful than those who are concerned with either the North Korean or the Iranian nuclear program; and that when—and the hearing subject—is U.S. policy up to the challenge—if the challenge is to allow huge profits to be made on imports, the answer is, "Yes."

Mr. LEACH. Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman. I have come to the conclusion that Secretary Hill has the most difficult job

in the entire world right now as chief negotiator at the Six-Party Talks.

I have a couple of questions. First, Mr. Secretary, can you discuss the influence of the North Korean military has within Kim Jong-il's regime and to what extent the aggressive military activities that the regime undertakes are a reflection of that faction of the North Korean Government?

In other words, Mr. Secretary, are they influencing the government and is there a continued growth in military strength in North Korea?

Mr. HILL. I think that is a very important analytical question, and there are a lot of analysts on North Korea who have various answers on it. But usually you talk to five analysts and you get six different answers, so I want to make the first point, which is, what goes on in North Korea often stays in North Korea. It is very opaque. It is difficult to determine how these various factions operate.

But I will say that, you know, even dictatorships have politics, and there are certainly indications that politics there—there are certainly indications that some factions are more wedded to nuclear weapons than others might be. Those indications exist.

But the problem is, we can analyze this, but it becomes very problematic to base a policy on these analyses because we have seen in many other countries where you thought you understood the sort of constellation of forces, and then afterwards you went back and checked, and you did not understand it.

So what we do is hold the authorities there responsible for doing the right thing, and the right thing is to come to the Six-Party Talks and implement our agreement to get rid of these nuclear programs.

And I want to stress one thing. We wrote, and the DPRK, the North Koreans agreed, "nuclear programs" rather than "nuclear weapons programs" because I did not want to see us get into a protracted argument about which nuclear program is somehow peaceful and which is weapons-related; it is all "nuclear programs." And they agreed to that. So we hold them responsible for that.

Obviously, they have politics back there. They have some people who probably don't like it. And then they have some other people who probably don't like it either, but they understand it is necessary in order to move ahead.

We hold their government responsible for implementing this thing.

Ms. BORDALLO. Is the military gaining strength?

Mr. HILL. Again, when you look at the—do you mean gaining strength from a political point of view?

Ms. BORDALLO. Numbers. Numbers, even.

Mr. HILL. They have something which is called their Military-First Policy, which appears to be a policy aimed at giving the military as many assets as it seems to need. I would not say that the North Korean military has gained strength vis-a-vis the defensive forces that are now arrayed in the Republic of Korea and together with our forces, as well, so in terms of relative strength against our defensive forces, I would say that they have not gained strength.

Ms. BORDALLO. My second question, Mr. Secretary, is something that Congressman Faleomavaega alluded to earlier.

During our trilateral parliamentarian meetings with Japan, United States, and South Korea, which I attended in Japan with my colleagues, we talked about the Six-Party Talks, of course, among the Congressional Members. And we heard from South Korea, quite surprisingly, their representatives, that they are now making gradual overtures with North Koreans to bring about unity.

And particularly when we talked about the Six-Party Talks, they became quite defensive. And I have talked about how they are working out different ways to come together. That is their brothers and sisters and uncles and aunts that are in North Korea and they want to bring about unity.

Do you find this to be true? They were talking about factories along the DMZ area, where they are bringing over thousands of North Koreans to work in the South Korean area; and I just found that to be a little unusual.

What are your thoughts on that?

Mr. HILL. Well, I think what you are referring to is the fact that they have an industrial park that is located in an interesting place. It is a place called Kaesong, and if you look at the 1945 map of the Korean peninsula, you will see Kaesong in the southern part in the Republic of Korea. And it was only after the Korean War, when they redrew the line, you see that it is actually not in the northern part of—in North Korea.

It is an industrial park which involves a number of enterprises and a few thousand North Korean workers. I could get the precise—6,000 North Korean workers there. And it is a part of a long-term—I want to stress long-term—South Korean strategy, to make their relationship with North Korea in the long term a better relationship.

Now, you can talk to many people from the Republic of Korea who have different views of how unification could eventually happen. I think it is important for the United States to take a position that we would like to see—we would support whatever eventual arrangements the Korean people can make, because the Korean peninsula belongs to the Korean people.

And I think it is worth understanding that as you go back into the middle of the 20th century, there were some terrible, terrible tragedies the world over. But one of them, one of them clearly was this artificial division, which continues to this day, of the Korean peninsula where families have been kept apart from each other, where there is some scar that runs across the 38th parallel.

It is a very tragic situation, and I think we need to respect the degree to which Koreans, even if they don't consciously think of it every day, they subconsciously think about it. They want something to reduce that scar. They want something to reduce the sense of, you know, the sense of tragedy that took place.

And so they have these ideas for industrial cooperation. They have various other ideas in the North-South context. I think I mentioned earlier that it is not all related to the Six-Party process; they have longer-term vision here.

So we need to understand that and respect it and try to work with them on this.

Ms. BORDALLO. But South Korea then is strictly supporting the United States position on the Six-Party Talks here?

Mr. HILL. We have an excellent, excellent relationship with the South Koreans in the Six-Party process. We work with them every day on this.

Ms. BORDALLO. Thank you, Mr. Chairman.

Mr. LEACH. Thank you, ma'am.

Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

I just wanted to make sure there is no misunderstanding on the line of questions that I had raised and some of the statements that I had made—I am sorry that my good friend from Indiana is not here—but seemingly to imply or to expressly state that my position is that of the vast majority of Members of Congress, I have never given any indication of that whatsoever. This is just an opinion of one Member who happens to be a Member of this Subcommittee and no more.

I respect the views of the gentleman from Indiana. If—in his opinion, if a vast majority of Members of Congress support the Six-Party Talks, that is fine. I respect that. But I think for him to imply that I am speaking on behalf of the majority of the Members of this institution, I don't think I have ever given such indication—neither to imply that the Subcommittee, as well as the Full Committee, has the view.

I am just simply raising these issues or questions that have been troubling to me, because we have been seeming to have a yo-yo relationship with this country for 6 years. Seemingly, we don't seem to find a solution to some of the problems that we have raised with North Korea.

I—as I have indicated earlier, yes, I am sure that South Korea has taken a very strong position in aligning itself with our given position as members of the Six-Party Talks. But at the same time there are indications that the South Korean leaders and the people want very much to establish close relationships with North Korea irrespective of the problems that we have in dealing with the nuclear issue.

The issue of the capability of North Korea to fire a missile is nothing new. This is not a new issue; I mean, this happened a couple of years ago. The North Koreans fired a missile that went toward Japan, it went even closer to Guam or close by a State like Hawaii.

So the difference here is the fact that they seem to be making every effort to perfect the capability of using an ICBM. We expended $34 billion in trying to improve our own missile defense system that has not proven very successful.

So I just wanted to express that concern.

And, please, Mr. Secretary, I wish you all the success in the efforts that you are negotiating and your efforts to negotiate with the North Koreans. But I—at the same time, the purpose of this hearing is to probe and to raise some issues or questions that perhaps you are aware of, that perhaps we are not aware of. I just wanted to make that statement for the record.

We all know that North Korea's economy depends entirely on its current relationship with China. We all know that the coming of China and Russia and the other countries to be part of the Six-Party Talks was our initiative; it wasn't something that the Chinese initiated or were wanting. And, of course, they are very careful, too, and say North Korea is an independent, sovereign nation even though it is on a nondemocratic basis.

So I just wanted to make those observations clear for the record and make sure that there is no misunderstanding of my position in this issue.

With that, Mr. Chairman and Mr. Secretary, I wish you all the best in your negotiations.

Thank you, Mr. Chairman.

Mr. LEACH. Ms. Bordallo?

Ms. BORDALLO. No questions.

Mr. LEACH. Let me just end with one aspect of this debate.

The U.S. has taken a position in the Six-Party Talks not to have direct negotiations outside the Six-Party Talks, although direct negotiations within the Six-Party Talks. There is a group—and I don't associate this necessarily with the Administration—that has implied that they think hardheadedness on negotiations implies a greater likelihood of regime change; and there is an aspect of this that I want to query you on, because it is something that I certainly had a sense for when I was in North Korea.

It strikes me that one of the analogies that people like to think about regime change is to Eastern Europe. But when you travel in North Korea, you have no sense of a lot of labor leaders like Lech Walesa or poets like Vaclav Havel.

And about the only alternative to the top of this regime would be the military. I mean, regime change, to me, would be to the military, not to the people.

Does that seem to you to be a likely scenario, or have you thought about any scenarios?

Mr. HILL. Certainly, if you look at the transformation of Eastern Europe, Poland, those other countries with which I am familiar, you will see that civil society was there. And the great tragedy of what happened to Poland or what happened to these other countries was, these were democracies and they were essentially taken over.

I think it is fair to say that in the DPRK the presence of civil society is fairly modest at this point. And so I think sort of political evolution and structures in the DPRK, it is rather hard to foresee how those political structures could emerge or will emerge in the future—political structures will emerge.

But I think what we need to do is focus our attention on behavior change, rather than regime change. We need to focus our attention on the fact that we have a regime there that is engaged in practices that are simply unacceptable to all of its neighbors and to us. And I think focusing on behavior change is a much better approach.

I cannot say what institutions or what people in the DPRK would have a different view from the current regime, but I do know that we need a different view; and I think ultimately the North Korean

people will have to, like every people in the world, have to determine who is going to run their country in the future.

But I don't think it is for me to do that; it is for me to just insist on some changes in behavior.

Mr. LEACH. Well, I share that. Policy change is the issue.

Let me just conclude with the observation that we appreciate your excellent testimony. You noted that all countries, including the United States, look every day at human rights of their own accord; and to me, in North Korea the great human rights change we need involves you, sir. That we have got to unshackle the Assistant Secretary of State for Asian Affairs and allow him a little greater freedom of travel.

Mr. FALEOMAVAEGA. Will the gentleman yield for 1 minute. I just want to make——

Mr. LEACH. Yes, of course.

Mr. FALEOMAVAEGA. I think there is no question about our national interest involved in the current negotiation and the status of negotiating with North Korea or any other country for that matter. But over the years it has been my observation—and I make this as perhaps the most profound moral issue that I consider to be of the highest importance, and that is the relationship between North and South Korea. These are the same people, the same culture, the same families; the same everything there is, other than the fact of their political division.

But I really honestly believe that sometimes in the equations of factoring in this element that we ought to encourage in all possible ways to make sure that the people of North Korea and South Korea find a medium or some way or somehow that these people could relate to each, despite their political differences. And that, to me, is probably one of the most important issues that is missing in our efforts to try and to find a solution to the current problems of the ICBMs or the nuclear issues or security or military forces.

I just wanted to add that for the record, Mr. Chairman. And thank you.

I thank Secretary Hill. I sincerely hope that we could advocate more strongly for efforts to see that the people and leaders of North and South Korea find a solution and they would be working in a much better economic and cultural way, that these people have been separated for 50 years now, since we drew that 38th Parallel—something that we don't hardly talk about. But I would be one to strongly advocate a greater, closer relationship between North and South Korea because, after all, they are the same people.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you.

Thank you, Ms. Bordallo. The Pacific has been well represented today.

Ms. BORDALLO. Thank you very much, Mr. Chairman, for allowing me to be a special guest here.

Mr. LEACH. Thank you, Mr. Secretary.

The Committee is adjourned.

[Whereupon, at 4:25 p.m., the Subcommittee was adjourned.]

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