

NORTH KOREA'S NUCLEAR TEST: NEXT STEPS

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BEFORE THE
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NORTH KOREA'S NUCLEAR TEST: NEXT STEPS

WEDNESDAY, NOVEMBER 15, 2006

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Committee met, pursuant to notice, at 11 o'clock a.m. in room 2172, Rayburn House Office Building, Hon. Henry J. Hyde (Chairman of the Committee) presiding.

Chairman HYDE. The Committee will come to order.

Without objection, the summary of the report of the U.S. Committee for Human Rights in North Korea, Failure to Protect, will be made a part of the record.

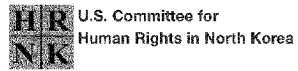
[The information referred to follows:]

Failure to Protect A Call for the UN Security Council to Act in North Korea



Failure to Protect A Call for the UN Security Council to Act in North Korea

The Honorable Václav Havel, Former President of the Czech Republic
The Honorable Kjell Magne Bondevik, Former Prime Minister of Norway
Professor Elie Wiesel, Boston University, Nobel Peace Prize Laureate (1986)



Foreword

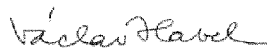
Although in recent weeks the international focus has been on North Korea's nuclear weapons test, the situation in that country is also one of the most egregious human rights and humanitarian disasters in the world today. Yet sadly, because North Korea is also one of the most closed societies on Earth, information about the situation there has only trickled out over time.

With the unanimous adoption by the UN Security Council of the doctrine that each state has a "responsibility to protect" its own citizens from the most egregious of human rights abuses, a new instrument for international diplomacy has emerged. While states retain sovereignty to control their own territory, if they fail to protect their own citizens from severe human rights abuses, the international community now has an obligation to intervene through regional bodies and the United Nations, up to and including the Security Council.

In this context, we commissioned the global law firm DLA Piper LLP to work with the U.S. Committee for Human Rights in North Korea in preparing an objective and definitive report on the failure of the North Korean government to exercise its responsibility to protect its own people.

The evidence and analysis contained in this report is deeply disturbing. Indeed, it is clear that Kim Jong Il and the North Korean government are actively committing crimes against humanity. North Korea allowed as many as one million, and possibly many more, of its own people to die during the famine in the 1990s. Hunger and starvation remain a persistent problem, with over 37 percent of children in North Korea chronically malnourished. Furthermore, North Korea imprisons upwards of 200,000 people in its modern-day gulag, and it is estimated more than 400,000 have died in that system over 30 years.

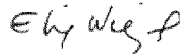
It is on this basis that we strongly urge the UN Security Council to take up the situation of North Korea. Protecting the people of North Korea requires nothing less.



Václav Havel
Former President of the Czech Republic



Kjell Magne Bondevik
Former Prime Minister of Norway



Professor Elie Wiesel, Boston University
Nobel Peace Prize Laureate (1986)

Executive Summary

The Situation in North Korea

- The human rights and humanitarian situation in the Democratic People's Republic of Korea (North Korea) continues to deteriorate, with no degree of measurable improvement. Members of the international community, including governments, nongovernmental organizations (NGOs), and many United Nations (UN) bodies have reported grave violations of human rights and humanitarian law. Because the North Korean government refuses to implement recommendations made by the UN – including those made by the General Assembly, the former Commission on Human Rights, and the Special Rapporteur on Human Rights in North Korea – the people of North Korea continue to suffer. Therefore, UN Security Council action is both warranted and necessary.

Powers of the UN Security Council

- Charged with the critical mission of maintaining peace and security between nations, the UN Security Council possesses unparalleled authority to make binding decisions that uphold the United Nations' commitment to prevent war, preserve human rights, and promote international political stability.
- According to Chapter VI, Article 34, of the UN Charter, the Security Council may “investigate . . . any situation which might lead to international friction . . . to determine whether the continuance of the . . . situation is likely to endanger the maintenance of international peace and security.” Under Chapter VII, Article 39, the Security Council “shall determine the existence of any threat to the peace . . . and shall make recommendations, or decide what measures shall be taken”
- Security Council action can include the adoption of resolutions requiring action on the part of the offending government to curtail its offending acts. Under Article 25 of the UN Charter, all members of the UN “agree to accept and carry out the decisions of the Security Council.”
- Here, two independent justifications enable the Security Council to act with regard to the situation in the country: (1) the North Korean government has failed in its responsibility to protect its own people from crimes against humanity; and (2) the situation in North Korea constitutes a non-traditional threat to the peace.

Failure of the Responsibility to Protect

- The North Korean government is manifestly failing to protect its own citizens from crimes against humanity, with the government actively committing those crimes against its own people and others. Since prior UN actions have failed to motivate North Korea to address these serious concerns, it is time for the UN Security Council to take up the situation of North Korea.

Background

- On September 20, 2005, during the World Summit, the assembled leaders in the UN General Assembly adopted a statement in which they said: “we are prepared to take collective action, in a timely and decisive manner, through the Security Council . . . [if] national authorities are manifestly failing to protect their populations from . . . crimes against humanity.”
- Subsequently, this statement was unanimously endorsed in Resolution 1674 by the Security Council on April 28, 2006.
- For acts that would ordinarily constitute domestic criminal offenses to be elevated to the level of international “crimes against humanity,” a state and the perpetrators acting on its behalf must be knowingly involved in a series of widespread and systematic attacks directed against a civilian population, such as murder, extermination, torture, imprisonment, or other acts intentionally causing great suffering or serious bodily or mental harm.

Application

- The North Korean government is actively involved in committing crimes against humanity with respect to both: (1) its food policy leading to famine and (2) its treatment of political prisoners.
 - *Food Policy and Famine:* North Korea allowed as many as one million, and possibly many more, of its own people to die during its famine in the 1990s. Hunger and starvation remain a persistent problem in the country. Over 37 percent of children in North Korea are chronically malnourished. Even today, North Korea denies the World Food Programme access to 42 of 203 counties in the country.
 - *Treatment of Political Prisoners:* North Korea imprisons upwards of 200,000 people in its modern-day gulag without due process of law and in near-starvation conditions. More than 400,000 are estimated to have died in that system over 30 years.

Non-Traditional Threat to the Peace

- In addition to North Korea's violation of the responsibility to protect its own citizens, North Korea is also a non-traditional threat to the peace. "Traditional" threats to the peace are typically caused by military action; so-called "non-traditional" threats to the peace occur when a country's actions or failure to act result in serious cross-border impacts. Examples of non-traditional threats can include drug trafficking, failing to prevent the spread of communicable diseases, serious human rights abuses leading to mass refugee outflows, and environmental degradation.

Background

- Although there is no precise definition of what represents a non-traditional "threat to the peace," the Security Council – through its past actions in evaluating other cases – has elucidated a list of factors that collectively can constitute such a threat to the peace. Because the Security Council takes a case-by-case approach, no one factor or set of factors is dispositive. Each past case embodied a unique set of circumstances; in each case, the Security Council considered the totality of circumstances in determining that a threat to the peace was taking place.
- To guide our work, we first reviewed the initial Security Council resolutions adopted in response to internal country situations that the Security Council deemed a threat to the peace previously. This review enabled us to identify the criteria that helped the Council make its decisions. These criteria are used in this report as the determining factors relevant to North Korea. These factors include: (1) widespread internal humanitarian/human rights violations; (2) the substantial outflow of refugees; (3) other cross-border problems (for instance, drug trafficking); (4) conflict among governmental bodies and insurgent armies or armed ethnic groups; and (5) the overthrow of a democratically elected government.

Application

	Human/ Human Rights Violations	Refugee Outflows	Other (Drug Trafficking, Counterfeiting)	Conflict among Factions	Overthrow of Democratic Government
North Korea	✓	✓	✓	-	-

- In the case of North Korea, three of these five determining factors have been met. Satisfying three of five factors was sufficient to justify Security Council involvement in five of the seven case studies we examined, including the situations in Haiti, Yemen, Rwanda, Liberia, and Cambodia. The factors specifically present in North Korea are as follows:
 - *Widespread Internal Humanitarian/Human Rights Violations:* As described above, there are two sets of activities in which the North Korean government is engaging that constitute crimes against humanity and meet this factor: its food policy leading to famine, and its treatment of political prisoners.
 - *Outflow of Refugees:* It is estimated that some 100,000 to 400,000 North Koreans have fled the country in recent years.
 - *Other Cross-Border Problems:*
 - *Drug Production and Trafficking:* It is believed that the North Korean government earns \$500 million to \$1 billion per year from illicit drug production and trafficking. It is estimated that North Korea harvests 30 to 44 tons of opium and manufactures 10 to 15 tons of methamphetamines per year.
 - *Money Counterfeiting and Laundering:* The North Korean government produces and launders high-quality counterfeit US \$100 bills or “supernotes.” It is estimated that North Korea produces between \$3 million and \$25 million in supernotes per year.

Conclusion

- As a result of the severity of the overall situation in North Korea and in consideration of all of the information analyzed in detail in this report, the Security Council has independent justification for intervening in North Korea either because of the government’s failure in its responsibility to protect or because North Korea is a non-traditional threat to the peace. Security Council intervention is a necessary international and multilateral vehicle to alleviate the suffering of the North Korean people.

Chairman HYDE. Ambassador Burns, we are very pleased to have you here today. You are highly regarded as one of our most distinguished diplomats, and we look forward to hearing your observations on your recent trip to East Asia. We hope you can provide the Congress with definitive information on how the Administration, in consultation with our allies, plans to address the North Korean nuclear crisis.

Let me also take the opportunity to offer congratulations to the former South Korean foreign minister, Ban Ki-moon, and to the Korean people on the occasion of his election as the UN's new Secretary-General. This event is a source of pride for Koreans worldwide as they reflect on how their nation rose from the ashes of war to become a major diplomatic player on the world stage. It is also particularly fitting to have as the UN's new leader a representative of a nation which owes its very existence as a free and sovereign state to the stalwart actions of the United Nations in 1950.

I understand, Ambassador Burns, that you and your South Korean and Japanese counterparts stated in Seoul last week that "North Korea will not be recognized as a nuclear weapons state." But, in reality, isn't the nuclear genie already out of the bottle? Aren't we really talking about how to get that genie back inside the bottle, which is very difficult?

Everyone said China holds the key to reining in a nuclear North Korea. Many have been enthusiastic about Beijing's surprisingly constructive attitude. The Japanese press reported that Beijing even temporarily cut the flow of oil across the Yalu River. These drips of oil instead of the usual steady flow were meant to send a clear message to the North Korean regime to cease its provocative behavior.

We can all thank the Chinese Government for pressuring North Korea back to the Six-Party Talks, although a date certain for resumption remains to be designated, but we should never forget that Beijing always acts skillfully and practically in its own national interest. The Chinese leaders saw clearly that the situation on the Korean Peninsula was getting out of hand.

A number of Japanese and South Korean observers has cautioned the Committee that we should not be too effusive in our praise of Beijing. They advise that we should be on guard against outsourcing the North Korean nuclear problem entirely to Beijing.

If Beijing becomes the key player in resolving the North Korean nuclear issue while we are engaged elsewhere; I fear potential long-term dire consequences. As I told former Deputy Secretary Zoellick last May when he sat where Ambassador Burns now sits, I fear that the future American generation may awaken from its Pacific slumber to find that our influence is removed entirely from the Asian mainland. Then a politically unreformed and assertive China could be calling the shots in the most vibrant and economic region in the world. These remain my parting words of caution to America's Asian policymakers.

I have also read press reports that our South Korean ally has been less than stalwart in supporting sanction and other tough measures which may be needed to rein in Kim Jong-il, but we should not be concerned. We have the word of no less a figure than the South Korean President himself. President Roh visited the

Capitol in September and was asked by my good friend, Mr. Lantos, what would be his government's reaction to a North Korean nuclear test. He pledged a firm reaction, including the likely use of sanctions. The House leadership was all there, including the Speaker and Ms. Pelosi. We are confident that President Roh is a man of his word and will keep his pledge to the Congress.

Finally, if diplomacy fails, we would like to hear your thoughts on implementing inspection of North Korean ships under the Proliferation Security Initiative, something which our South Korean ally reportedly does not support.

Interdiction of North Korean ships suspected of carrying weapons of mass destruction materials would not be without risk, as Pyongyang has stated publicly. Such measures would constitute an act of war; and as Korea is a peninsula, not an island, the three nations sharing the land border with North Korea—China, Russia and South Korea—must be fully engaged. Without their support in inspecting contraband across their respective frontiers, naval inspections could prove risky yet largely ineffective.

I understand we have been in discussions with Australia and Japan in particular concerning possible naval inspections. Hopefully, policymakers have considered the delicate history of the region with regard to any inspections support from Japan. I am concerned that we would cause alarm among the South Korean populous if Tokyo has too visible a role in inspection of any Korean ships, even from the North.

We have a vote pending. Two votes? I think we can stand in recess until the vote.

[Recess.]

Chairman HYDE. The Committee will come to order.

I now am pleased to turn to my good friend, Tom Lantos, for his opening remarks. Mr. Lantos.

Mr. LANTOS. Thank you very much, Mr. Chairman.

Mr. Chairman, as the 109th Congress comes to a close over the next few weeks, I would like to express my appreciation once again for the bipartisan, dignified and statesmanlike manner in which you have led this Committee. As we transition to the Democratic Majority, Mr. Chairman, I pledge to you that we will do our utmost to ensure a smooth, orderly and dignified transition.

I also would like to join you in commending the new Secretary-General of the United Nations, with whom I am planning to meet next Tuesday in New York; and I want to commend you for your laudatory comments concerning our distinguished witness, Secretary Burns. He is a remarkable diplomat and is serving our Nation with extraordinary distinction and effectiveness.

Chairman HYDE. Thank you very much, Mr. Lantos; and Mr. Smith has a modest opening statement.

Mr. LANTOS. I have an opening statement.

Chairman HYDE. Oh, I am sorry.

Mr. LANTOS. No problem.

Chairman HYDE. We will now turn to Mr. Lantos for his opening statement.

Mr. LANTOS. Thank you, Mr. Chairman.

Mr. Chairman, just 1 week ago, the American people sent a strong and unmistakable signal to Washington. They want a

change. While much of the public discourse properly focused on Iraq, it is abundantly clear that a change in our approach toward North Korea is long overdue.

Several missile shots and a nuclear test later, it is evident that the Administration's policy toward North Korea is not an unqualified success. Without a doubt, the North Koreans bear ultimate responsibility for the deteriorating situation on the Korean Peninsula. The isolated leadership in Pyongyang made the profoundly unwise decision to try to become a nuclear nation, to test medium- and long-range missiles, and to continue their unchecked violations of the human rights of North Korea's 24 million citizens. But with the proper combination of forceful action and high-level diplomacy, there is a chance, though slim, that we can find a comprehensive and verifiable solution to the North Korea problem.

In light of North Korea's nuclear test, it is imperative that Pyongyang understand the full consequences of its unwise decision. The UN Security Council resolution passed in the test's aftermath must be fully enforced, and we must impress upon China and South Korea that the Security Council resolution will be meaningless without their full and active cooperation.

I have seen on two recent occasions firsthand the need to cut off the sale of luxury goods to North Korea pursuant to the Security Council resolution. During my first visit to Pyongyang, I met with high-ranking generals in the North Korean military. At the conclusion of the meeting, the generals climbed into late-model Mercedes-Benz sedans waiting to whisk them back to their villas. Meanwhile, the children of North Korea continue to survive on starvation rations, their growth permanently stunted due to malnutrition.

The single most dramatic fact I brought back with me from North Korea from both of my visits is that the average height of the North Korean is dramatically less than the average height of the South Korean. This is a mind-boggling fact. It would be analogous to suggesting that people west of the Mississippi are 5 inches shorter than people east of the Mississippi. This is the result of the deliberate policies of an unacceptable regime.

This juxtaposition of privilege and deprivation is one of the world's great scandals, Mr. Chairman. The pampered North Korean leadership must feel personal pain for their destabilizing and irresponsible actions.

But tough new steps against North Korea are not a substitute for a comprehensive and effective new approach toward this seemingly intractable problem. Heightened diplomacy, including new bilateral overtures, must be part of a new bold approach. We should all welcome the forthcoming resumption of the Six-Party Talks, but unless the Administration tries something new on the diplomatic front they will once again end in disappointment.

For that reason, Mr. Chairman, I believe Ambassador Chris Hill must be dispatched to Beijing with the authority to negotiate a comprehensive and verifiable deal. Hardliners launched in the Office of the Vice President and the Defense Department must not be given a veto. Ambassador Hill must also make a stopover in Pyongyang on his way back from the Six-Party Talks, not to negotiate a new and separate deal but rather to demonstrate to Pyongyang our peaceful intent. The Administration's refusal to

allow visits by American diplomats to North Korea must end, and it must end now.

Even with enhanced diplomacy and tough implementation of UN Security Council sanctions, a denuclearized Korean Peninsula may prove elusive. North Korea may have made the decision to firmly enshrine themselves among the list of nuclear nations and to hang on to power at all costs. But we must give diplomacy a try, even if only to manage our relations with key allies in the region.

Mr. Chairman, the next few months will be a time of great transition here in Congress and, hopefully, in American foreign policy. The White House must try a new and bold approach toward the vexing North Korean crisis as it is now abundantly clear to the world that our current policies have failed. I look forward to leading the efforts in Congress to keep North Korea on the front burner and to pushing the Administration to resolve the feuds within its own ranks which have hobbled North Korean policy.

Thank you, Mr. Chairman.

Chairman HYDE. Let me say, Mr. Lantos, that while this hearing is not the last—we have one tomorrow—I want the record to show that I have unbounded admiration for your knowledge, for your talent, for your patriotism, for your service to the country. It has been an unmixed pleasure working with you, and one of my keen regrets is that I won't be able to continue to work with you in the next Congress. But I will watch with great anticipation and pleasure the work you do; and it has been a real joy to work with you, Mr. Lantos.

Mr. LANTOS. It has been my joy and my pleasure, Mr. Chairman.

Chairman HYDE. Thank you.

For brief opening statements, Mr. Smith of New Jersey.

Mr. SMITH OF NEW JERSEY. Thank you very much, Mr. Chairman.

I want to thank you for holding the hearing on one of the most urgent issues of our time; and I do want to join Mr. Lantos in praising your extraordinary leadership, your incredible commitment to human rights and humanitarian issues, your work product, your laws, which will clearly endure the test of time. They have helped countless numbers of vulnerable and disenfranchised people, and I want to thank you for that leadership. It is extraordinary.

Mr. Chairman, the threat posed by nuclear weapons is the cause for the utmost concern and vigilance by all of us, but the possession of such means for mass destruction in the hands of a ruthless dictator like Kim Jong-il necessitates a smart, robust, coordinated and comprehensive response from the international community; and I want to thank Ambassador Burns and the Administration for taking the lead, for their dogged determination to try to mitigate this unconscionable threat.

In the course of our discussions, Mr. Chairman, I do believe it is crucial that we address the relationship between this security threat and the abysmal lack of respect for fundamental human rights by the North Korean regime. As Pope John Paul II said so aptly, "If you want peace, work for justice"; and I believe that we must work overtime to try to ensure that the people of North Korea

who, like people around the world, are deserving of fundamental and basic human rights, not the gulag, not the torture.

As we all know, the use of torture by the North Korean regime is a spectacle of horror; and as I think you know, Mr. Chairman, along with Jim Leach, we have Co-Chaired three hearings on human rights abuses in North Korea in this Congress alone. It is time for action; and, again, I think this hearing helps us to get a better feel where we are today and what we need to do going forward.

Again, I want to thank you for convening this important hearing. Yield back.

Chairman HYDE. Thank you.

Mr. Sherman of California.

Mr. SHERMAN. Thank you, Mr. Chairman; and thank you for your leadership of this Committee. We are all going to be sad to see you go.

The President is right that the most important thing is keeping nuclear weapons out of the worst hands. Aside from deposing a leader who merely fantasized about nuclear weapons, this Administration over the last 6 years has done little. The only enemy we have that has nuclear weapons is North Korea, and they have got a lot more now than they had 6 years ago. We need maximum carrots, maximum sticks and maximum focus.

As the maximum carrots, we ought to be offering the North Korean Government what they asked for, a nonaggression pact, if they eliminate verifiably forever their nuclear weapons. Yet, as Mr. Lantos points out, there are those hardliners with a veto in the Administration that prevent that from happening, not to mention that nonaggression pacts are a bit of a bureaucratic bugaboo with some—in other parts of our Government. We ought to be willing to tell Pyongyang if they do not have nuclear weapons we will not invade.

Second, we need maximum sticks. That can only mean changing the behavior of China and South Korea. Yet South Korea has disappointed us, and our response is to propose a Free Trade Agreement. That is carrots for them continuing to disappoint us in how they treat North Korea.

And as to China, we have made it very clear that our markets will remain wide open to them without the slightest hint of any problem, even if they continue to do what they think is in their best interest with regard to North Korea. So we have limited our actions in China to trying to persuade them that we are smart, that they are dumb, that they don't understand what is in their interest and if they would only listen to us, they would change their policies.

Obviously, to change China's policy, we would have to change our policy. To change their policy on North Korea, we have to hint slightly and diplomatically—far more diplomatically than I am capable of being at this time—that their trade relationship is dependent upon how they deal with the greatest threat in their region of the world to the safety of Americans that is the North Korean nuclear program.

I look forward to hearing from Secretary Burns how in the last 2 years of this Administration we are going to somehow be success-

ful while continuing the same policies of no linkage and no non-aggression pact, but perhaps I will be wrong and perhaps you will be successful.

I yield back.

Chairman HYDE. Ms. Ros-Lehtinen.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman; and I wish to reiterate our admiration, our appreciation, our esteem for Chairman Hyde for his many years of service to this Nation, this Chamber and, most importantly, this Committee. He will sorely be missed.

Years of Six-Party Talks failed to prevent North Korea from testing its long-range missiles this summer, nor from testing a nuclear device in October of this year. Despite the concessions offered, which included the easing of United States sanctions by President Clinton, the provisions of assistance for the construction of nuclear research reactors and later security guarantees, North Korea marched onward in its pursuit of activities which posed a threat to global security and peace.

Should it surprise us? After all, in September 2005 they issued a joint statement. For example, the international community never sought reciprocal assurances regarding Pyongyang's hostile intent toward South Korea. After all, it took North Korea conducting a nuclear test for the international community to agree to prevent certain nuclear-related technology and equipment from reaching this rogue regime.

Is our policy now going to be to reward North Korea's behavior by offering to enter into bilateral talks, as some have suggested, because Kim Jong-il is now a man of reason, because he now can be trusted?

Well, after all, did North Korea not sign an agreement in 1994 with the Clinton Administration pledging to freeze and eventually dismantle its nuclear weapons program and then in 2002 admitted to operating a secret nuclear weapons program in violation of such an agreement? Did North Korea not acknowledge this nuclear weapons program only when confronted by the United States with the evidence of such a covert effort?

Is our policy going to focus, instead of increasing the pressure on North Korea, on sending a clear message to others like Iran that there will be a price to pay for violations of its nonproliferation obligations and its hostile behavior? Or is our policy simply to return to Six-Party Talks in December and see North Korea, as has been reported in the news sources this morning, demonstrating in concrete terms a commitment to end its nuclear program?

I would appreciate it if the witness today, our good friend, Ambassador Burns, clarified what that means. What concrete, specific, verifiable steps are we requiring of North Korea? Are we simply seeing a revival of dialogue for dialogue sake?

Also, news articles this morning say that U.S. measures are on the table, although UN sanctions would remain in place. Is the United States considering further inducements for North Korea?

And, lastly, Mr. Chairman, what benchmarks and conditions, if any, are we and our allies placing on North Korea prior to the issuance of further concessions? History has shown us the consequences of appeasement. Let us heed these lessons now.

Thank you, Mr. Chairman, for the time.

Chairman HYDE. Thank you, Ms. Ros-Lehtinen.

Ms. Watson of California.

Ms. WATSON. Mr. Chairman, I want to say this to you. I have found you honorable, fair, respectful, and inclusive to my personal benefit. I am in your debt, and I wish you well. We will miss you.

Chairman HYDE. Thank you. Thank you.

Ms. WATSON. I welcome the leadership of Tom Lantos. I look forward to the transition. I know the two of you have worked so well together over the few years that I have been here.

So while I take it as a positive sign that North Korea has agreed to return to the Six-Party Talks, the fact is that the world has failed in preventing nuclear proliferation on the Korean Peninsula. The world cannot afford another failure that would allow North Korea to then proliferate its nuclear weapons and material to the world.

While I believe that Six-Party Talks to denuclearize North Korea should continue and every effort should be made to disarm North Korea of its nuclear weapons, I fear that the resumption in talks will result in what can simply be described as “deja vu all over again.”

It is fortunate for us that North Korea appears to have a long way to go before developing full capacity for mass production of nuclear weapons. It clearly does not have the level of investment and support to acquire a mass production capacity. It is a country that is isolated financially as well as technologically. However, North Korea’s deficits have not prevented it from developing a fairly sophisticated missile program. The combination of a nuclear weapons program and missile program is an extremely disturbing scenario.

The North Korean nuclear test is another example of an international nonproliferation regime that is not functioning well. North Korea is the ninth country to process nuclear weapons. Two of the most recent countries to acquire nuclear weapons, India and Pakistan, are allies of the United States. In the case of India, we will soon reward its nonconcurrence with the NPT with a new pact. I believe it is long past time for the Administration and Congress to undertake a thorough and careful review of the NPT, with the goal of constructing a nonproliferation regime that meets the needs and the demands of the 21st century.

So, Mr. Ambassador, we welcome your thoughts not only on the return to the Six-Party Talks but also your thoughts on how our Nation can work to strengthen the NPT.

Thank you; and thank you, Mr. Chairman.

Chairman HYDE. Thank you, Ambassador Watson.

Mr. McCaul of Texas.

Mr. McCAUL. Again, I want to echo all the sentiments in this hearing room, how much of an honor it has been to serve with Henry Hyde, and it has really been an honor as a freshman, and I mean that very much from my heart. And I very much look forward to the new Chairman coming onboard and working with him in a bipartisan way.

Thank you.

Chairman HYDE. Mr. Ackerman.

Mr. ACKERMAN. Mr. Chairman, let me also say it has been a great honor and privilege to serve with you. I, too, will miss you. I look forward with great excitement to Chairman Lantos continuing the leadership of this very, very important Committee.

Mr. Chairman, almost 6 years ago the Bush Administration's internal bickering and external dithering have wound up in producing precisely the result that none of us wanted. On October 9, with more fizzle than bang, North Korea announced that they, too, had become members of the nuclear club. International condemnation of the test was followed rapidly by a UN Security Council resolution imposing sanctions on the North. But the consensus on an international response evaporated almost immediately in disagreement over the scope of inspecting North Korean cargo.

It is well past time for the President to cut to the chase. Those inside the Administration that believe if we simply sanction, isolate and pressure the North long enough they will collapse have misread the situation from the beginning. North Korea's obvious willingness to defy its closest ally and largest provider of foreign aid should be a clear signal to all concerned that Kim Jong-il thinks he can survive the wave of international sanctions and still have his bomb. Anyone who thinks otherwise need only look at Kim Jong-il's willingness to starve his own people as an object lesson and just how far he will go to assure the survival of his regime.

It is now time for the Administration to stop outsourcing our foreign policy to China and to negotiate directly with the North Koreans to get them to abandon and dismantle their nuclear program, because it is clear that the Chinese are not going to do it for us.

And notwithstanding the President's view, negotiating directly with North Korea did result in a freeze on North Korea's ability to reprocess at least plutonium for almost 10 years. Now that the North has tested, the price they will expect will be even higher; and it rises by the day.

A good place for the President to start would be to appoint a congressionally-mandated coordinator for North Korea policy. I realize the President still has a month to make this appointment, but there is no reason to delay and every reason to move forward with all deliberate speed, or we could just stop worrying and learn to love the North Korean bomb.

Chairman HYDE. Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much; and let me note that, in substance, I agree with what Mr. Ackerman just said and that is the United States should not rely on China to be a positive player and rely on that to bring about a situation that is acceptable to us on the North Korean Peninsula.

However let me note that I certainly disagree with Mr. Ackerman's analysis that this Administration should bear the brunt of the responsibility. Let's note that the policies that we have been following in North Korea were put in place during the last Administration, during the Clinton Administration; and, in fact, we have subsidized the dictatorship in North Korea with a subsidy level that was established during the Clinton Administration beyond anything that any reasonable person could expect. In fact, I believe that the billion dollars that North Korea has received as part of the Clinton-initiated policies have made North Korea the biggest re-

recipient of foreign aid of any country in Asia, except for emergency foreign aid, of course.

So what we have done with a stupid policy of trying to change the hearts of the North Korean dictatorship by giving them money, we have done nothing but make the situation worse, while they have used their own money to develop nuclear weapons.

Back to the China point, I am deeply concerned, as Mr. Ackerman just suggested, that we are relying somewhat on China to accomplish our goals. The U.S.-China Economic Security Review Commission will issue a report tomorrow which will indicate that there is ample evidence that China has played a significant negative role when it comes to proliferation of nuclear weapons, especially those dealing with North Korea. We know, of course, that China has helped in proliferation of weapons to Pakistan, who then passed it on to North Korea, I might say, using China—landing in China as part of their channel to put these weapons at the North Korean's disposal.

North Korea is a terrible dictatorship. We should be treating it as a dictatorship, not trying to have goodwill toward them.

If the South Korean people don't believe the United States is playing a positive role here, they should let us know, and we will go home. But the fact is that, right now, whatever chance for peace and freedom on that peninsula will deal with the leadership for the United States; and this Administration should not be relying on China to accomplish that end.

Thank you very much.

Chairman HYDE. Mr. Royce of California.

Mr. ROYCE. Thank you, Mr. Chairman.

Mr. Chairman, it is often said that politics stops at the water's edge; and I would just like to say that Chairman Henry Hyde, through his work with Ranking Member Lantos, has personified that adage. He is a leader for all of us. Other Committees in the House and indeed the Congress as a whole would do well to take their cue from the leadership that Chairman Henry Hyde provided this Committee.

The issues being dealt with in our Committee, the issues of war and peace, are just too important to succumb to partisan rancor; and though he has been tried at times, Henry Hyde understood that. He understood that we are Americans more than we are Republicans and Democrats, and he makes many of us a little prouder to serve in Congress, and I just wanted to share that sentiment today, Chairman.

Chairman HYDE. Thank you very much.

Mr. ROYCE. I also wanted to share with Secretary Burns that during the discussions that returned North Korea to the Six-Party Talks, I think we found out what was really important to Kim Jong-il, and what was important to him turned out to be money. It turned out that paying his generals was important to him, any asset freeze that was placed made it impossible for him to do that, and apparently the North Korean representative's only request to restart this Six-Party Talks included the discussion of that financial situation which began last year when Banco Delta Asia was blacklisted for assisting North Korea in money laundering.

What I am worried about as we go forward is that we might get wobbly on this issue. Because I think we have discovered one of the keys in terms of getting the attention of this regime. We have to continue to demonstrate that unless Kim Jong-il disarms he will continue to be isolated and starved for cash and trade. That is a very important principle. North Korea is susceptible to financial and economic pressure. So let's keep that up.

I would like to hear during your presentation, Secretary Burns, on how we will be handling discussions in this special working group on financial issues.

Thank you again, Chairman Hyde.

Chairman HYDE. Thank you.

R. Nicholas Burns is the Under Secretary of State for Political Affairs. He previously served as Ambassador to NATO and to Greece, as spokesman for the Department of State and as Acting Assistant Secretary for Public Affairs under Secretaries of State Christopher and Albright. He also served on the National Security Council at the White House. He was Special Assistant to President Clinton and Senior Director for Russia, Ukraine, and Eurasian Affairs and Director of Soviet Affairs under President George H.W. Bush. He also worked at Embassies in Cairo and Jerusalem.

We have been joined by Mr. Crowley. Do you wish to make an opening statement?

Mr. CROWLEY. Not at this time.

Chairman HYDE. Alright. Thank you.

Ambassador Burns, we are very grateful that you could join us today. If you could proceed with a 5-minute summary of your prepared testimony, and your full statement will be made a part of the record. Ambassador Burns.

**STATEMENT OF THE HONORABLE R. NICHOLAS BURNS,
UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS,
UNITED STATES DEPARTMENT OF STATE**

Mr. BURNS. Mr. Chairman, thank you very much. I will be happy to do as you say.

I have submitted the statement for the record, and I will just cover the major points in summary fashion. I look forward to your questions and those of your colleagues, because I join all of your colleagues today, Mr. Chairman, in wishing you all the best in your retirement—

Chairman HYDE. Thank you.

Mr. BURNS [continuing]. And expressing the deep appreciation of our Department, the State Department, for the leadership that you have given to this Committee.

I think everyone knows that you are one of the last in the House of Representatives who served in the Pacific during the Second World War, and so you leave us with a great deal of wisdom and experience of how we should be acting in East Asia and safeguarding American interest, and the Congress will lose a lot of wisdom and experience when you leave as Chairman. So on behalf of all of my colleagues at the State Department, I want to thank you for your support for American diplomacy and for the American Foreign Service. We are very grateful to you.

Chairman HYDE. Thank you very much.

Mr. BURNS. Mr. Chairman, I will just make a few summary points, and I look forward to a good discussion.

First, Mr. Chairman, let me state the obvious and say that all of us were appalled by the reckless behavior of the North Korean Government over the past 6 months, first, in the missile tests of July 4 and 5, 2006; second, in the nuclear test of October 9. These two events clearly speak to the fact that North Korea has violated its international responsibilities and has threatened its neighbors and it has threatened global peace and global security.

Our response, the United States' response, to North Korea's behavior has been resolute, and it has been very clear. Together with China and Japan and Russia, we passed within 5 days of a nuclear test a very tough UN Security Council resolution, 1718, that imposes harsh sanctions on the North Koreans; and we are now fully and, we hope, effectively implementing those sanctions' resolutions.

I do take note of the number of comments made by Members here that that is an important piece of business for the United States to be leading on. We do not and we will not recognize North Korea as a nuclear weapons state, and thus we seek the full dismantlement of all of North Korea's nuclear weapons programs. We want to see North Korea rejoin the nonproliferation treaty and return to IAEA safeguards; and we believe that the best way to pursue that objective—the full denuclearization of the Korean Peninsula—is to pursue a dual-track strategy.

The first of those tracks is pressure and isolation, and that comes through the UN Security Council sanctions and the actions of leading countries like the United States. The second of those tracks is to keep the door open to discussions and a return to the Six-Party Talks, and we are pursuing both of those tracks with purpose and with energy.

I think you know that President Bush and Secretary Rice are in Asia. They will soon be arriving in Hanoi, and part of their visits this week is to talk to the Chinese and Russian and Japanese and South Korean leadership about this problem of North Korea.

I was in Asia last week at the instruction of the President, in Tokyo, in Seoul, in Beijing, trying to work with the five parties. We also met the Russians in Beijing to firm up the alliance that we have and to make sure we are all sending North Korea the same strong message that it cannot be business as usual, especially after the nuclear test.

We do see North Korea's nuclear capability, combined with its pursuit of weapons of mass destruction technology and ballistic missiles, as a clear threat to international peace and security; and it ought to be obvious to everyone concerned that the United States has a special role to play in safeguarding security in the Asia Pacific region. We seek a peaceful solution to the North Korea nuclear problem.

We also realize the very real military threat that North Korea poses to its neighbors, particularly our allied partners, Japan and South Korea. So, in the wake of the October 9 test, the first thing that President Bush did was to reaffirm publicly the security commitment of the United States to Japan and South Korea that are embodied in two treaties with the Japanese—one from 1960 with

the South Koreans, one from 1953—that commit us to the defense of both of those allies.

President Bush also warrants that if North Korea transfers nuclear weapons or material it will be considered to be a grave threat to the security of the United States and we will hold North Korea fully accountable for the consequences of such action. When Secretary Rice was in the region just 3 weeks ago, she reaffirmed these security commitments; and I can tell you they made an impact, particularly in Japan.

As you know, there has been a debate in Japan about the constitution of that country and about how it should act beyond the borders of Japan; and we think that this alliance guarantee of the United States means that Japan has no reason to build its own nuclear weapons capability, which, of course, is reassuring for our policy in the region and to all of its neighbors.

So there is a clear threat by the North Koreans militarily to all of its neighbors, a clear threat from these nuclear tests as well as from the ballistic missile tests of July.

The Chairman spoke in his opening statement about the position of the United States in the Asia Pacific region, and he said that he hoped that the United States would continue to be strong and to lead in the region. We understand—and I think this is understood, I am sure, by all Members of this Committee—that since September 2, 1945, it has been the United States—that it has been the guarantor of peace and security in Asia and in the Pacific region that we must maintain a strong American military presence in the region to guarantee the peace and security in Asia; and that is certainly the ambition and the intention of the United States to do that and to maintain the leading role that we play in that region.

I want to say a word about diplomacy. While we seek to impose a significant, very tough sanctions regime on the North Koreans, we also seek to keep the diplomatic door open to negotiations.

I think that most of you know that when my colleague and friend, Chris Hill, was in Beijing on October 31, he did meet with the North Koreans and Chinese in trilateral format. Then he met with North Korean Vice Foreign Minister Kim Kye Gwan bilaterally, and as a result of those discussions the North Koreans had agreed to come back to the Six-Party Talks.

We hope to resume those talks before the end of 2006. I am deliberately vague, Mr. Chairman, because I think it is not possible to know at this point what the exact date of the resumption should be. It depends on the seriousness of purpose that we believe the North Koreans ought to bring to those talks. Because they can't be talks for talks' sake. We need to make real progress in the next round of negotiations.

And everything that North Korea says it needs is on the table. If you go back to the September 19, 2005, joint statement of the six parties and read it, it sets out a series of obligations that the North Koreans have to meet and it sets out some commitments that the United States and the other parties will meet as well. Many of the Members in their opening statements talked about some of those commitments.

I believe if you read it, if you go back and review it, you will see that the United States did make commitments for, ultimately, a normal relationship with the North Koreans should they fully denuclearize, and that means their nuclear weapons program as well as their civil nuclear power systems. North Korea needs to demonstrate that it is serious this time about fulfilling these commitments. Because in the wake of September 19, 2005, of course, within 24 hours, it, in effect, walked away from those commitments. It disavowed them. So the most important thing we need to know is the seriousness of purpose that that country will bring to the negotiations.

Some people are insisting that the United States should negotiate with North Korea solely on a bilateral basis, but the North Korean problem, especially its pursuit of nuclear weapons, is a regional problem. It is not just a bilateral issue because this problem poses a threat to all of its neighbors.

South Korea, a country that has a lot invested in, ultimately, a peaceful relationship with the North, a country that, of course, would be the greatest victim of North Korean militarism, South Korea wants to be part of this process.

Japan, whose security is also imperiled by the missile tests and the nuclear tests, wants to be part of the Six-Party Talks.

Russia has had a historic relationship with North Korea, has had some entree into the government there, and has had a lot of experience in the field of nuclear disarmament. Russia seeks a role, as does China, North Korea's leading trade partner and neighbor.

So we believe the best way to proceed is on this six-party basis.

North Korea, of course, is seeking to divide the five parties, especially in its intent to negotiate directly with the United States. But it can't be the responsibility solely of the United States to make sure that North Korea rolls back its nuclear programs, does a much better job of meeting its international commitments on the human rights front. It has got to be the work of all of us together. So that is the way we proceeded.

Now from time to time, as you know, in 2005 and 2006, we have met with the North Koreans bilaterally. Chris Hill, 2 weeks ago, met with Kim Kye Gwan on a bilateral basis. In 2005, just before we achieved the joint statement of September 2005, Chris Hill met with the North Koreans bilaterally. So we haven't said we refuse to meet with them. We do from time to time, and there is discussion that goes back and forth between our two governments.

But we have said that you need to seek a regional approach, and we do count—and a number of the Members from both sides of the aisle said this—on the commitment that China and Russia must bring to these talks to use their influence with North Korea to push them forward toward negotiations. And, of course, we count on the support that Japan and South Korea, our two treaty allies, would give this process.

Mr. Chairman, just two more brief points.

There is another issue that is related to the North Korea missile and nuclear problem, and that is the issue of Iran. As you know, we are engaged in the Security Council today trying to convince the Russians and Chinese to move more quickly to meet their commitment to us to pass a tough Security Council resolution against the

Iranian regime. These two issues are among the greatest security challenges that we face, and they are linked. So what we do on North Korea and the seriousness of purpose and the toughness with which we approach it has to be a signal to the Iranians that what the North Koreans have found in their nuclear adventure is isolation, disapproval by the international community, now sanctions under 1718. Iran will find the same fate if it continues, as its President said yesterday, to accelerate its nuclear research toward a significant enrichment capability at its plant in Natanz. We are concerned about that, and we are focused on both of these problems, and we do see the link between both of them.

I won't cover any more points, Mr. Chairman. They are all in my prepared testimony. But I would like to thank you for the invitation for me to be with you today, and I am happy to respond to your questions.

[The prepared statement of Mr. Burns follows:]

PREPARED STATEMENT OF THE HONORABLE R. NICHOLAS BURNS, UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS, UNITED STATES DEPARTMENT OF STATE

Thank you Mr. Chairman, Ranking Member Lantos, and distinguished Members of the Committee for this timely opportunity to discuss U.S. policy toward North Korea.

Mr. Chairman, let me first wish you the best in your retirement and express my deep appreciation for your leadership of this important committee. As the last World War II combat veteran from the Pacific theater serving in the U.S. House of Representatives, you are taking with you into retirement a valuable and irreplaceable perspective on our relations with East Asia. We all have benefited greatly from your experience and wisdom. On behalf of all of my State Department colleagues, I wish to thank you for your support for American diplomacy and for the American Foreign Service.

INTRODUCTION

Mr. Chairman, with its reckless July 5 missile launches and October 9 nuclear test, the unpredictable North Korean government has reminded us again of the danger its Weapons of Mass Destruction (WMD) and nuclear programs pose to U.S. national security, to our allies, and to peace and security in Northeast Asia. The North Korean government has broken its international commitments and threatened its neighbors and the world.

Our response to North Korea's objectionable behavior has been resolute. Together with China, Japan, and Russia, the United Nations Security Council passed Resolution 1718 on October 14, just five days after the nuclear test, imposing harsh sanctions on the North Korean government. At the same time, we continue to seek a diplomatic way forward to gain North Korea's full adherence to the September 19, 2005 Joint Statement, which if implemented will lead to the complete, verifiable, and irreversible dismantlement of that country's nuclear weapons and existing nuclear programs.

We do not and will not recognize North Korea as a Nuclear Weapons State. We thus seek as our most important objective the full dismantlement of all North Korea's nuclear weapons programs. We want North Korea to rejoin the NPT and return to IAEA safeguards. We believe the best way to achieve these ends is for the U.S. to continue to adhere to our dual-track strategy by:

- 1) implementing fully the UN sanctions to penalize and isolate the regime; and
- 2) keeping the door open to discussions and a return to the Six Party Talks.

We are pursuing these objectives with a clear purpose and considerable energy. Just last week, I traveled to Japan, South Korea, and China with Under Secretary Robert Joseph on the instructions of President Bush. We also met with senior Russian diplomats in Beijing. Our aim was to coordinate a common position on both the sanctions and the diplomacy with the four governments—our close partners in the Six Party Talks. We were met with a very positive reception in each capital, and a recognition of the need to work together to put maximum pressure on the Kim Jong-Il regime.

This week, President Bush and Secretary Rice are in Hanoi for the APEC Summit meetings. There, they will meet with leaders from across Asia to discuss what the world community should do to bring North Korea to full implementation of its commitments to all of us. Their goal will be to reach agreement with our partners on a way forward toward reviving and achieving success at the Six-Party Talks, and to reaffirm with our partners our mutual commitment to fully and effectively implement Resolution 1718.

Mr. Chairman, North Korea's continued pursuit of nuclear weapons, coupled with its pursuit of other WMD programs and ballistic missiles, is a clear threat to international peace and security. The DPRK has also laundered money and distributed counterfeit U.S. currency, and has engaged in illegal trafficking of narcotics, cigarettes, and other goods. Overcoming the threat posed by North Korea is one of our Government's highest foreign policy priorities.

As we pursue our dual-track approach, we are also strengthening our strategic relationships in Northeast Asia and reassuring our allies. While we seek a peaceful solution to the North Korea nuclear problem, we also realize the very real military threat posed by North Korea. Our policies remain anchored by our alliances with key security partners Japan and South Korea. On the day of the nuclear test, President Bush made a public address reaffirming the full range of the United States deterrent and security commitments to Japan and South Korea, including the U.S.-Japan Mutual Defense Treaty of 1960 and the U.S.-Republic of Korea Mutual Defense Treaty of 1953.

President Bush also warned that the transfer of nuclear weapons or material by North Korea to states or non-state entities would be considered a grave threat to the United States, and we would hold North Korea fully accountable of the consequences of such action. During her October trip to Asia, Secretary Rice reiterated our security commitments while on the ground in Tokyo and Seoul. Our alliance guarantee to Japan means that there is no reason for that nation to build its own nuclear weapons capability—which is a welcome reassurance to China and other Northeast Asian nations and serves to minimize regional tensions. To further support Japan's defense, we are also expanding missile defense cooperation with that government, as we are doing with other partners.

As we continue our efforts to deal with this challenge, we look forward to support and guidance from this Committee and the Congress.

THE NORTH KOREAN THREAT

North Korea's July 5 missile launches, including its test of a long-range Taepodong 2, flouted international norms and violated a standing, self-imposed moratorium on ballistic missile tests to which the North committed in 2000. The United States, China and other countries immediately urged the DPRK to refrain from further provocations, and the United Nations Security Council responded on July 15 by unanimously adopting Resolution 1695, which condemned North Korea's actions.

Unfortunately, the North's response to the international community was its October 3 threat to conduct a nuclear test. This threat flagrantly violated the commitments it made over the years not to pursue nuclear weapons, including its signing of the Non-Proliferation Treaty in 1985, an inter-Korean agreement on denuclearization of the Korean Peninsula in 1992, the 1994 Agreed Framework with the United States, and the September 19, 2005 Six Party Joint Statement. The President, Secretary Rice, and our entire diplomatic team worked closely with Security Council members and our key partners in the region to send an unambiguous message to Pyongyang: Do not test. We also warned the North Koreans directly through their UN Mission in New York. However, despite these clear warnings, North Korea on October 9 detonated a nuclear device.

The international community's response was again swift and clear. On October 14, the Security Council unanimously adopted Resolution 1718, a Chapter VII resolution with binding obligations on all UN Member States. This unprecedented resolution—made possible by strong leadership from the U.S., Japan, China, and Russia—condemned the nuclear test and requires Member States to implement specific sanctions related to the DPRK's nuclear, WMD, and missile programs.

The G8, ASEAN, the EU, and many other international groups, as well as numerous individual nations, have also spoken out to condemn the North Korean nuclear test and ballistic missile launches.

EAST ASIA: A VITAL REGION WITH IMPORTANT U.S. SECURITY INTERESTS

Mr. Chairman, North Korea's self-isolating behavior, which has contributed to the country's poverty, stands in dramatic contrast to the impressive, positive trends in East Asia, one of the most prosperous and successful regions in the world today.

The East Asia-Pacific region accounts for nearly a third of the earth's population, a quarter of global GDP, a disproportionate share of global growth, and a quarter of U.S. exports, including about 37 percent of our agricultural exports. In all, there is some \$810 billion in two-way trade with the United States. In every regard—geopolitically, militarily, diplomatically, economically, and commercially—East Asia is vital to the national security interests of the United States.

Today, the East Asia-Pacific area is largely at peace and the future for the region looks brighter than the past. The region has not seen a major military conflict in more than 25 years, and there has been widespread rejection of terrorism. Yet there is a glaring exception to this sea of good news. The Korean Peninsula unfortunately remains divided more than 50 years after the Korean War. There is a truce, an armistice line, but not a peace. North Korea still amasses its forces along the demilitarized zone and does not formally recognize the existence of South Korea. North Korea's bellicose government routinely threatens conflict with our ally, the Republic of Korea, and has troubled relations with all its neighbors.

The US has played a leading role to help stabilize Northeast Asia since the end of World War II and will continue to do so. We are committed to maintaining the 60-year period of relative peace and security, made possible in large measure by the presence of U.S. military forces in the region. We seek to maintain that peace by working with other countries to isolate North Korea. At the same time, our greatest ambition remains achieving the lofty but reachable goals outlined in the September 2005 Joint Statement, including the full denuclearization of and a permanent peace settlement on the Korean peninsula, normalized, peaceful relations between North Korea and its neighbors and between North Korea and the United States, and new opportunities for the people of North Korea to build better lives.

DUAL-TRACK STRATEGY

Mr. Chairman, as I said at the outset, we have a clear strategy for dealing with North Korea. This is a dual track approach comprised specifically of (1) sanctions aimed at penalizing and isolating the North while pressuring them to pursue diplomacy, and a (2) diplomatic track aimed at a negotiating North Korea's denuclearization. The sanctions also protect the U.S. and our allies from North Korea's nuclear, WMD, and missile threats, including its proliferation of nuclear, WMD, and missile technologies.

DIPLOMACY

We are pursuing a diplomatic solution through the resumption of the Six-Party Talks. This process was energized with the breakthrough Assistant Secretary Chris Hill achieved in Beijing on October 31, when, in meetings with his Chinese and North Korean counterparts, the North agreed to return to the Six Party Talks, and renewed its commitment to the September 19, 2005 Joint Statement and to the denuclearization of the Korean peninsula.

Let me stress that the world will not accept merely the resumption of the Talks for talks' sake. We need to make real progress in the next round. Everything that North Korea seeks is on the table. Our goal is straightforward and spelled out clearly in the September 19, 2005 Joint Statement: a denuclearized Korean Peninsula, which includes North Korea's complete and verifiable dismantling of its nuclear programs and its return as a signatory to the Nuclear Non-Proliferation Treaty and IAEA safeguards, including the Additional Protocol. Equally important, the Joint Statement envisions a better life for the people of North Korea through economic and energy assistance; greater integration into the prosperous region around it; fuller participation in the international community; a path toward diplomatic recognition; and a road map toward a full peace treaty to end the Korean War.

Regrettably, within 24 hours of its signing of the Joint Statement, the DPRK chose to reinterpret the agreement radically and unilaterally. We welcome the North's renewal of its commitment to the Joint Statement which was made during Assistant Secretary Hill's October 31 meetings in Beijing. But North Korea will need to demonstrate that it is serious this time about fulfilling its commitments. We believe that full implementation of the Joint Statement remains the best path for a better future for North Korea and its people. In Assistant Secretary Hill's October 31 meetings, we also assured the North Koreans that within a resumed Six-Party process, we would be willing to form a working group to discuss and address financial issues, including the Banco Delta Asia case.

Some insist that the U.S. should negotiate with North Korea solely on a bilateral basis, but the North Korean problem—especially its pursuit of nuclear weapons—is not just a U.S.-North Korea bilateral issue. Rather, North Korea's nuclear weapons pose a regional threat to all its neighbors. South Korea must be part of the solu-

tion, as must Japan, China and Russia. That is why we are addressing this issue in the Six-Party framework, with all the regional stakeholders that have the most leverage on North Korea afforded a place at the table. As host of the Six-Party Talks, China played a central role in the success of last September—the unanimous adoption of the Six-Party Joint Statement. As a neighbor of North Korea, Japan has important security and bilateral interests at stake, including the abductee issue. Tokyo played the lead role in drafting UN Resolution 1695 in response to the July 5 missile launches, and continues to lead in the multilateral diplomatic track. South Korea has unique considerations and an interest in a comprehensive resolution of the DPRK nuclear issue, and its security is threatened most directly by North Korea's militarism. Finally, Russia, with its historical ties to North Korea and long experience with disarmament, is a critical partner in the Six Party process. Secretary Rice and I have consulted closely with Moscow throughout this crisis.

North Korea seeks to divide the five parties and desires, especially, to negotiate directly with the U.S. It should not be the responsibility of the United States alone to achieve denuclearization of the Korean peninsula. It is rather in our clear interest to have China, Japan, South Korea, and Russia pulling on the same oar with the U.S.

The unprecedented level of cooperation that has emerged among Northeast Asian countries on this issue would not have been possible had we adopted a bilateral approach. That said, the United States has held bilateral discussions with North Korea within the Six Party talks since 2002 and we would have every expectation to continue to do so in the future.

SANCTIONS

Concurrent with the diplomatic track, we are working to fully and effectively enforce the sanctions against North Korea in UNSC Resolution 1718, and to get our international partners to do the same.

United Nations Security Council Resolution 1718 is binding on all UN Member States. 1718 condemned the nuclear test and expressed the Council's grave concern that the test posed a danger to peace and stability in the region. The Security Council demanded that North Korea refrain from conducting any additional nuclear or missile tests, retract its announcement of withdrawal from the NPT and return to NPT and IAEA safeguards, and suspend all activities related to its ballistic missile program. It also decided that North Korea must abandon all of its nuclear weapons and existing nuclear programs in a complete, verifiable, and irreversible manner.

UNSCR 1718 required Member States to prevent the direct or indirect supply, sale or transfer to the DPRK of a specified list of conventional weapons, and items, material, equipment, goods and technology, which could contribute to the DPRK's nuclear, ballistic missile, or other WMD-related programs. UNSCR 1718 additionally banned the transfer of luxury goods to North Korea.

The United States has taken steps to implement Resolution 1718 expeditiously. Many were already U.S. policy. The United States has a total prohibition on the export to North Korea of any items that could contribute to North Korea's nuclear, missile, biological and chemical programs. This includes all of the items designated by the 1718 Sanctions Committee. In addition, we have previously acted under Executive Order 13382 to designate twelve entities and one individual as being engaged in proliferation activities related to North Korea. Under E.O. 13382, the United States has frozen the funds, assets and economic resources of these entities and individuals. We have also proposed that the 1718 Sanctions Committee designate these entities and individual, under the provisions of the Resolution.

Further, we have defined a list of luxury goods banned for transfer to North Korea. The U.S. currently sends very few, if any, of these goods to the DPRK, but these new regulations will ensure that we are in full compliance with Resolution 1718.

In pressing all UN Member States to fully and effectively implement Resolution 1718, our intent is not just to sanction for sanction's sake. North Korea needs to be punished and isolated for its reckless actions that threaten peace and security. At the same time, we want to convince the North Koreans to pursue the diplomatic path and agree to denuclearize. China, North Korea's largest trading partner and main conduit to the outside world, has committed to enforce 1718. As China follows through, the North Korean regime will feel the pain. It will be deprived of hard currency it earns from exporting WMD and missile technology and conventional arms. And the North Korean elite will lose access to prized luxury goods. We are hopeful this pressure will convince the North to do the right thing. But should the North not take advantage of the opportunity to resume and achieve progress at the Six Party Talks, the sanctions will continue to protect the U.S. and our international

partners by limiting the advancement of the North's nuclear, WMD, and missile programs, and by preventing the North from proliferating nuclear, WMD, and missile technologies to other regimes and to non-state actors.

In addition to pressing for full and effective implementation of Resolutions 1718, we are making great efforts to strengthen the global non-proliferation regime. First, through initiatives such as the Proliferation Security Initiative, or PSI, countries work together to stop illicit shipments of WMD, their delivery systems, and related materials on the ground, in the air, and at sea, to and from states and non-state actors of proliferation concern. Eighty states already participate in PSI, and we are urging all Member States to endorse the Statement of Interdiction Principles and participate in PSI activities. Second, we are bringing India into the non-proliferation regime, with a pioneering agreement that gives the IAEA access to India's civil nuclear facilities and gives India access to civilian nuclear power. We are grateful for the support this Committee and the entire House of Representatives gave to this effort. Third, we are rallying the world behind a UN Security Council Resolution that requires all countries to criminalize proliferation activities. Along with Russia, we have launched the Global Initiative to Combat Nuclear Terrorism.

OUR ALLIES IN ASIA

What we found in the region last week was a unanimous recognition that North Korea's nuclear test is a "game changer," that this is not a time for business as usual. This is why the Japanese have imposed their own unilateral sanctions, including barring North Korean imports. This is why the South Koreans have promised to become more actively involved in PSI and have suspended aid to the North and frozen expansion of their joint North-South economic projects. This is why the Chinese took the unprecedented step of supporting Security Council resolutions 1695 and 1718. All our partners are committed to implementing Resolution 1718 and to the effort to reach a diplomatic agreement with the North on denuclearization.

IRAN

How the world responds to North Korea is likely to affect the calculations of other aspiring nuclear powers, including Iran. Through our firm multilateral diplomacy confronting the North Korean threat, we are also sending a strong message to Iran: The path North Korea is choosing is not leading to more prosperity and security—it is, in fact, leading in the opposite direction. Iran should heed this message, and meet the requirements of UN Security Council Resolution 1696 by fully and verifiably suspending its enrichment and reprocessing activities. If Iran chooses this correct path, rather than facing punitive measures like North Korea, Iran could get a wide range of economic, political, and technological benefits, as promised in the P5+1 incentive package, and the U.S. will engage in direct talks with Iran.

The permanent members of the Security Council have a special responsibility to stop these two countries—North Korea and Iran—from advancing their nuclear weapons programs. If we can succeed, the world will be a measurably safer place. If we cannot, we will face a critical challenge to our basic security. This must be one of our nation's top foreign policy objectives—to stop Iran and North Korea.

NORTH KOREAN HUMAN RIGHTS

Our concerns about the behavior of the DPRK extend well beyond denuclearization. The regime subjects its citizens to rigid controls over many aspects of their lives and maintains an extensive prison camp system, with reports of prisoners' involuntary labor, torture, forced abortions, starvation, and execution. Citizens are denied basic human rights such as freedom of expression, religion, movement, assembly, and association. The government attempts to control all information; there is no freedom of the press. Since 2001, the U.S. has designated North Korea as a country of particular concern for 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.

The DPRK's behavior towards its citizens, including its human rights failings, have led to a stream of refugees. The United States is extremely concerned about the plight of North Korean refugees. As you are aware, President Bush was the first world leader to invite some of these refugees into the Oval Office. We are deeply troubled by reports of the involuntary return of North Koreans from China to the DPRK, as these returnees may face serious abuses, including torture and execution in some cases. The U.S. regularly discusses its strong concerns with China and other governments, as well as with the highest levels of the Office of the UN High Commissioner for Refugees (UNHCR) and concerned non-governmental and private

groups. The U.S. values the role of organizations dedicated to promoting the human rights of North Koreans. The U.S. also has great sympathy for the Japanese families of those innocent people abducted by the North Korean regime.

The Administration appreciates Congress' support for our efforts in this area, and is successfully implementing the 2004 North Korean Human Rights Act. We will continue to closely consult with Congress on this important issue.

HUMANITARIAN ASSISTANCE

We are watching carefully as we implement UNSCR 1695 and 1718 that the humanitarian situation does not worsen for the North Korea people. The President has made clear that passage of UNSCR 1718 is not intended to make humanitarian work more difficult to conduct.

The United States continues to support the 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 over 2 million tons of food assistance, valued at over \$700 million.

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.

Our objective in providing food aid to North Korea has been and will continue to be to help relieve the suffering of the North Korean people, despite our concerns about the North Korean government's policies.

CONCLUSION

Mr. Chairman, in my consultations with Japanese, South Korean, Chinese, and Russian officials last week, it was clear that our Six-Party partners share our grave concerns about the North Korea nuclear problem and our commitment to a dual-track approach. They agree on the need to send a strong international message to Pyongyang that there are consequences to its irresponsible actions, and that measures such as UNSCR 1718 will remain in force until North Korea meets all of the requirements of this important resolution. In Hanoi this week, President Bush and Secretary Rice will reaffirm our policy and firm resolve with the leaders of APEC nations.

Working closely with the international community and our Six-Party partners, the United States will continue to press on all diplomatic fronts and will use all policy tools and legal authorities at its disposal, consistent with international law and the mandates of the Security Council, to achieve the complete denuclearization of the Korean Peninsula.

Our message to Pyongyang remains clear: abandon nuclear weapons, move to implement the Joint Statement, and join your neighbors as a responsible member of the international community and the prosperous region of Northeast Asia.

Thank you very much.

Mr. LEACH [presiding]. Thank you, Ambassador Burns. We are appreciative of your statement and your public service.

We will begin with Mr. Smith.

Mr. SMITH OF NEW JERSEY. Thank you very much, Mr. Chairman.

Let me ask you, Ambassador Burns, on the human rights issue again—and I know you and I have had many discussions in the past about the linkage, and let's not forget that the demise of the Warsaw Pact countries and the Soviet Union itself didn't happen—arms control was important. Containment was important. Trying to mitigate the threat with regards to the nuclear arsenal that the Soviets possessed, obviously, was an ongoing, almost ever-present concern of all Presidents and Congresses. But it was the human rights issue, beginning with the labor rights issue with Lech Walesa, religious freedom, and eventually that led to the amelioration of that terrible vexing threat.

There is a report that just came out, as I am sure you have seen, Failure to Protect, a call for the UN Security Council to act in

North Korea, which has been commissioned by three very eminent persons: Vaclav Havel; Bondevik, the former Prime Minister of Norway; and Nobel Peace Prize Laureate Elie Wiesel. It makes a number of recommendations for a United Nations nonpunitive resolution to bring heightened focus on all of these human rights issues.

They point out in the report that it is estimated that at least 200,000 people are in gulags in North Korea today. The famine, while it has abated a bit with some recent harvests, remains a serious problem. Thirty-seven percent, I think, was the number I saw of the children of North Korea who are malnourished.

We know that if you look at the xenophobic behavior of Kim Jong-il and previously that of his father, they are living in a world of fantasy, but it is a very dangerous fantasy, and it seems to me that the more emphasis that is put on human rights, the more the nuclear crisis abates over time—and I laud you for the efforts you are doing, the Six-Party Talks, the conversations that Chris Hill and others are having in Pyongyang, but it seems to me that while we work that issue, the real way to create an atmosphere that peace can take hold and the diminishment of this terrible threat of nuclear weapons, first to South Korea and then to everywhere else, will be to really robustly push the human rights issue and do it now.

This report, I think, is an additional rallying call to the world community to pay much more attention to the human rights issue, and I know that we have—I know our State Department raises it frequently. You know, I have read the country reports, International Religious Freedom Act, and Ambassador Hanford raises it. But we raise it through resolutions. We do it through hearings. But I think this needs to be seen as the way, as the pathway to undermining the threat of nuclear weapons, and you know this could be done, I think, much more than it has been. So I would appreciate your thoughts on it.

Mr. BURNS. Mr. Smith, thank you very much. I just want to laud your leadership on this issue of human rights worldwide. You have been a great friend to the efforts that many Administrations have made to promote human rights in the world, and you are right to single out North Korea.

We are very concerned and we are never going to forget or stop talking about the grave human rights problems in North Korea, and you have mentioned some of them: The imprisonment of people because of their political views, the famines, the multiple famines that have taken place in that country over the last 15 years, the fact that there have been so many refugees that have had to make their way out of that country, some to China, some to the shores of the United States, and we try to bring in as many as we can because of the totalitarian nature of that society, of that government imposed on North Korean society.

The President has appointed Ambassador Jay Lefkowitz to be his envoy for human rights matters, and he is very actively working in concert with Ambassador Chris Hill to promote this issue, to talk about it and to shed light on it. I can assure you that we will not forget this issue, and we will continue to push it forward, both directly with the North Koreans as well as with the Chinese Gov-

ernment, because there are so many refugees on Chinese soil. We have taken the position that none of them should be sent back, of course, to North Korea if they make their way to China. It is a very serious issue, and thank you for pointing it out, and I can assure you of our good faith in putting this issue forward.

Mr. SMITH OF NEW JERSEY. I appreciate it.

If I could just add, the report—and it just came out October 30—does call for a United Nations Security Council resolution, and I would hope that would be taken seriously under advisement. And Jay Lefkowitz has been where you sit. Chairman Leach and I have Co-Chaired hearings where he has testified. All of that is well and good, but we need to get these other nations as well, I think, much more engaged if we are to make progress.

Thank you. Thank you, Mr. Leach.

Mr. LEACH. Thank you.

Mr. Crowley.

Mr. CROWLEY. Thank you, Mr. Chairman.

Ambassador Burns, good to see you again. Thank you for your testimony today. And I know with your past portfolio and the issues that you are engaged in, how one person is able to juggle what you are able to do is in itself incredibly admirable, so I thank you again for your participation today.

I guess in terms of just, you know, an observation, and this is not—don't take this in the wrong way, because I think what you are doing in terms of the Six-Party Talks is incredibly admirable and the overall goal here in terms of suppressing the development of nuclear weapons within North Korea and beyond, but in terms of the Six-Party Talks as they move forward now, what exactly are your goals? What are the expectations, if you can talk about that or elaborate on that?

Clearly, I think one who would make an observation would look at what took place in North Korea now that they have detonated a nuclear device, albeit a small one in relation to others and other nations that have done so. What are the expectations as you move forward? What are we trying to do now? Is the genie not out of the bottle? And if it is, is it rational to think that we can ever put it back in the bottle?

I think other nations are looking very closely, in particular Iran, as to how we are reacting to this. Has there been any discussion or thought of a change in direction in terms of dealing with North Korea, moving from not solely a six-party engagement, which I know took an incredible amount of time to bring about?

I was in Hong Kong 4 years ago, met with Ambassador Kelly when we were trying to engage the Chinese in this and in convincing them it was in their regional interest to be engaged here. It took so long to get to that point.

One could make the argument while that was going on that it gave the North Koreans the ability to cover—yeah, we are moving toward Six-Party Talks—but, at the same time, develop, obviously, what they have done now. Any further discussion about further bilateral discussions? I know you mentioned a lower level. Any in terms of a higher level, allowing for either yourself or someone close to you to actually engage directly with Pyongyang?

Mr. BURNS. Mr. Crowley, thank you.

Our goals in returning to the Six-Party Talks are very clear. We want to see the full and complete denuclearization of the Korean Peninsula; and we want the North Koreans to go back to the September 19, 2005, agreement—they signed up to it—and to fulfill it. Now that agreement has mutual commitments, many by North Korea, to dismantle their nuclear weapons, their nuclear energy programs, to not threaten their neighbors to rejoin the NPT, to invite back in the IAEA inspectors.

It also entails responsibilities, commitments on the side of the United States and the other parties. We are willing to fulfill the commitments we made, and they are vast, and going back to read that document lets you know what an important process this is. But we need to see that North Korea is serious about it.

Mr. CROWLEY. I mean, it is arguable they have violated every one of those commitments, have they not?

Mr. BURNS. Unfortunately, their track record is abysmal.

Mr. CROWLEY. Every single one of those commitments they have violated, right?

Mr. BURNS. If you look back to the agreed framework of 1994 and negotiated by the Clinton Administration, the North Koreans violated that agreement in spades, and they essentially rhetorically walked away from the September 19 agreement within 24 hours, and so we need to verify that they actually are going to implement that agreement.

We haven't closed the door to diplomacy. So we have this dual-track policy of enforcing the sanctions resolution of October 14, Resolution 1718, which in relative UN terms is a very tough resolution, and we led the fight for that and, at the same time, to keep the door open to the negotiations.

That is why we agreed to have Ambassador Hill return to Beijing on October 31, meet with the North Koreans and Chinese and then meet, as I said, bilaterally with the North Koreans to get a sense if they were serious this time. They say they are. We will test that proposition when we return to the talks at some point before the end of the year.

And we do require—in addition to direct engagement with North Korea, which we have from time to time, we do require the assistance of other countries. China has influence as a neighbor and a leading trading partner with North Korea. The Russians and the South Koreans do as well.

Japan has a great interest in this. Japan, of course, has been a victim of these missile tests both in the late 1990s and again in July. Japan has had to suffer through the abduction issue since the 1970s, and we have great sympathy with the Japanese people and Government for that.

So it does take all of these countries together to send the right signals to the North Koreans; and we want to see the complete and verifiable dismantlement of all of their nuclear programs, full implementation of that September 2005 agreement. I don't know if it is possible to go back to the talks just for talks' sake and to think we made any progress. We wouldn't have made progress. So we want to see demonstrable progress in that first round of talks.

Mr. CROWLEY. Mr. Chairman, could I ask one last question? One very quick question.

Mr. LEACH. A very quick question.

Mr. CROWLEY. It is pointed, but in your estimate, do you think this is a diplomatic failure?

Mr. BURNS. I think it has been a diplomatic success of this Administration to achieve the September 2005 agreement, and now to convince the North Koreans that the only way forward for them is negotiation, and that is a return of the Six-Party Talks, it is a tactical success. It is not a complete strategic success, because we haven't actually convinced them yet to fulfill the terms of that agreement, and to do that in a verifiable way. So that is the test that is ahead of us in 2006 and 2007.

But, you know, you don't want to leave yourself with only one option when it comes to North Korea, you do want to leave a diplomatic door open, and that is what we have done, but in a way that protects the interests of our country. At the same time as we negotiate, we have got the sanctions regime; we are, of course, talking about missile defense with our ally, Japan; we have a very tough counter proliferation regime in place in East Asia, all designed to make sure that North Korea doesn't proliferate.

It has been a serial proliferator, unfortunately, in its most recent history over the last 15 years or so. And the resolution does give member states, including the U.S., the right to inspect ships, and, of course, under the Proliferation Security Initiative, we think also on a limited basis, if necessary, we have the right to interdict shipping as well, we, the United States, and some of our allies. And so we have to pay attention to those measures as well as the diplomatic process.

Mr. CROWLEY. Thank you, Mr. Chairman.

Mr. LEACH. Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much. Have there been any initiatives begun by this Administration to educate the people of North Korea as to the nature of their government over the last couple years? Have we done anything, any specific initiative?

Mr. BURNS. Mr. Rohrabacher, we are mindful of the fact that North Korea is a totalitarian government, and the government has imposed extraordinary prohibitions on freedom of discussion, openness—or freedom of information going into the country.

Mr. ROHRABACHER. So the people of North Korea have no idea how oppressed they are and how deprived they are? And a lot of the strength of the government—in fact, it is a weak government, but the strength, to the degree they really have strength, is to the degree that their own people are ignorant?

You talk a lot about initiatives from the outside, from the region, what about from the inside; have we launched any new program aimed at trying to support those people from the inside?

Mr. BURNS. Well, we certainly have made use of Voice of America and of other radio and TV—

Mr. ROHRABACHER. I take it you mean the answer is no, then. Voice of America was before; we have had that all along. Is there any new initiative?

Mr. BURNS. I will try to complete my answer.

We have certainly tried, as best we can, to get basic information to the North Korean people about the nature of their own govern-

ment and about the reality of the conditions under which they live—

Mr. ROHRABACHER. How have we done that? “As best we can,” what does that mean?

Mr. BURNS. And the problem that we face, Mr. Rohrabacher, as you know, is that this is the most closed society on earth. There are no American Government officials there, we don’t have formal diplomatic relations, and we don’t have a consulate or Embassy in place. So we are very limited in what we can do, but we are interested in the objective that you are interested in, I can assure you.

Mr. ROHRABACHER. I understand you can’t do it, I understand you are telling me it is difficult, if not impossible, but we have no new initiatives by your answer.

In terms of the great—the sanctions. Now, a tough resolution by the United Nations, I don’t think means anything to the North Koreans, anything more than condemnation by anybody else. But you mentioned the harsh sanctions. Maybe you could let me know, what are—could you give me a specific list of those harsh sanctions?

Mr. BURNS. I actually think that if implemented fully and effectively, this particular resolution, 1718, the one passed on October 14th, can be useful in building pressure on the North Korean regime, because if you look at the terms of that resolution and read through it, it deprives them of the normal type of investment, intercourse trade, in ballistic missile technology in a nuclear sphere, in other aspects of its commercial development that a normal state would have. And so if we can convince the Chinese Government, the Russian Government and the other East Asian states to implement this fully and effectively, we think this can be useful.

I would also agree with you that the action we took in designating Banco Delta Asia got the attention of the North Korean regime because it hit at the heart of what that regime does prize, and that is money, to run its military—

Mr. ROHRABACHER. That was a unilateral action?

Mr. BURNS. That was a unilateral U.S. Government action under the PATRIOT Act.

Mr. ROHRABACHER. Now, in terms of the UN resolution, so we are all together now, and we are not going to give them defense-related technologies and trade and commercial activity, but we actually didn’t isolate them from other business activities; is that correct?

Mr. BURNS. Well, you know, I would like to just say a word in defense of that resolution, because it is not going to be possible for the United States alone, through unilateral action—and we have pursued unilateral action, we have been right to do so in terms of the Executive Orders available to the President in designating individuals and entities that are involved in their WMD program; we have done that, we have designated 12 entities and one individual. And we have, as you know, sanctioned Banco Delta Asia. That is important.

But if you are looking for a way to, in essence, try to cut off all normal trade and investment that they could use to fuel their WMD and missile programs and their nuclear programs, you have

to have other countries involved; and the way we have done that is through the UN Security Council.

Mr. ROHRABACHER. Actually, the UN Security Council resolution did not do that, it only accomplished it in terms of defense-related relationships, not the overall economic situation. So I would suggest that harsh sanctions is not a proper designation as to what the UN resolution did.

Are we ending our subsidies? And are our friends ending the food subsidies that have been feeding the North Korean people while their government has used their own money to produce these nuclear weapons? Have we ended that policy at least?

Mr. BURNS. I would just like to say in the first part of your question, Congressman Rohrabacher, I am just looking through the resolution now. This is a tough resolution, and the test of a resolution like this will be its implementation. And when I was out with Under Secretary Bob Joseph in Asia last week, we spent a lot of time talking to the Russians, Chinese, and South Koreans especially, about full implementation.

Mr. ROHRABACHER. To be fair to you, I believe what we presented originally was a very harsh resolution, would have had harsh sanctions, and the intent was to do that. But when you start acting multilaterally, things get watered down, and I consider it not harsh, but a watered-down resolution.

But in terms of, are we still providing the subsidies that we provided in terms of humanitarian subsidies to permit the North Koreans to use their own money to develop weapons?

Mr. BURNS. I think that multilateral action can be successful, I just want to address this point.

Mr. ROHRABACHER. Okay. As long as we can address the last one, too.

Mr. BURNS. And I will address the last point, too.

I think it is important that we acknowledge, whether it is on Iran or North Korea, we cannot be successful alone, we do need the cooperation of other countries, and that is where a lot of our focus of our diplomacy is.

On the humanitarian issue—

Mr. ROHRABACHER. Yes.

Mr. BURNS. There have been times during the Clinton Administration as well as during this Administration that we have supported the World Food Programme, food donations to the North Korean people, we have done that purely for humanitarian reasons, and that was the right thing to do. The people of North Korea, as you suggested in your first question, are the victims of this regime in Pyongyang. And we don't want to subsidize the North Korean's ability to build a nuclear weapon system, we don't think we have done that, but when there is evidence of famine and massive food shortages, we believe we have a humanitarian imperative to help deliver food aid—

Mr. ROHRABACHER. Does that mean we are still continuing to subsidize these people—

Mr. BURNS. To help deliver food aid to the people of North Korea.

Mr. ROHRABACHER. This is absurd, this is totally absurd. And let me just note for the record, Mr. Chairman, we are taking the pressure away from the North Korea Government to comply with us in

these other areas by feeding their people and permitting them to use their own resources, which should be going to feed their people, to go instead into nuclear weapon development. It is absurd to think anything else. And that is not just your problem, but it is the problem of the last Administration as well as this one.

And I find it not only harsh, but totally unrealistic. And we shouldn't be surprised when vicious dictators end up not caring enough about their own people, and then use that money for developing nuclear weapons.

And one last point, if you would indulge me, Mr. Chairman.

Mr. LEACH. With this point.

Mr. ROHRABACHER. The last point is that multilateral approaches, including China, after this report that we just received that China is actually helping the North Koreans develop nuclear weapons is, again, a very irrational, perhaps hope, but it is not something that I think is going to bear fruit because China is part of the problem, not the solution. Thank you.

Mr. LEACH. Mr. Fortenberry.

Mr. FORTENBERRY. Thank you, Mr. Chairman.

Mr. Secretary, thank you for coming today. I did not have the benefit of the earlier testimony, so please forgive me if this is a little bit redundant, but in light of Mr. Rohrabacher's last comment, it might be germane as well.

You say in your statement that we continue to see a diplomatic way forward to gain full adherence to the Joint Statement. Would you unpack for me some diplomatic linkages, first between China and North Korea? Because obviously China is in the strongest position, certainly in the short term, to effect a positive outcome in this regard.

And secondly, our diplomatic linkage to China to, again, help us position China or compel China or admonish China or cajole China into using their strength toward the resolution, particularly in regards to the Joint Statement.

Mr. BURNS. Mr. Fortenberry, what I said in my testimony and in my opening statement is that we are pursuing a dual-track strategy. The first part of that strategy is to isolate the pressure of the North Korea Government through sanctions, our own United States sanctions—which have been in place for decades—and UN Security Council multilateral sanctions, which we believe are absolutely necessary to have an impact. If the United States just acted alone toward North Korea, we wouldn't have the type of impact that we need. And you are right to suggest that China is a big part of this.

And that gets to the second part of your strategy, which is diplomatic. The Chinese have a major role to play here, they are the leading trade partner, they are the country probably with the greater political influence in Pyongyang on the Kim Jong-il regime, and we have consistently asked the Chinese to use that influence.

After the nuclear test of October 9th, the Chinese acted very quickly with us in New York to pass that Security Council resolution. There was obviously a great deal of frustration in Beijing toward the North Korean regime, and I would say, based on my conversations last week in Beijing, even a little bit of anger, which was totally justified. We would like to see the Chinese Government

continue to have a tougher attitude toward North Korea, and we would like to have the Chinese Government use its influence to produce the type of agreement that we want. And it is very simple, the North Koreans have committed to dismantle their nuclear weapons programs and their entire nuclear industry, but they haven't done it.

So in pursuing diplomacy, we are not pursuing talks for talks' sakes, we are not going to agree to endless rounds of talks that don't produce results. And so we are carefully trying to prepare the ground for the resumption of the Six-Party Talks, maybe in the month of December, so that we get some action out of the North Koreans. And China is key to that, and I think you are right to suggest that.

Mr. FORTENBERRY. And how far are we willing to go? Obviously we encourage, we talk, we admonish, with the Chinese to develop that linkage to the North Korea situation. In other words, we have strength of relationship with China, certainly an economic strength, there are very great weaknesses in our relationship, but how far are we willing to go in terms of that relationship to, again, encourage or compel the Chinese to use perhaps even more aggressive influence on the North Koreans?

Mr. BURNS. Well, I think that there is no question that North Korea is now the major issue in the United States-Chinese relationship concerning foreign policy and security policy, particularly in East Asia. I know it will be on the agenda when President Bush sits down with President Jong-il in a few days in Hanoi at the APEC summit, it will certainly be on the agenda when Secretary Rice meets Foreign Minister Le Cong Phung in Hanoi on Friday of this week. The Chinese know that.

In fact, the President sent Under Secretary Joseph and I to China last week, expressly for the purpose of spending 2 full days there, I think a total of 13 or 14 hours of discussion on this North Korean issue, and we made it abundantly clear, I certainly did, with my talks with Foreign Minister Lee and other Chinese officials that this issue is front and center in the United States-China relationship.

There is nothing more important in terms of America's security in East Asia than stopping the North Korean nuclear program and removing that threat from Japan and South Korea, our two treaty allies in that particular part of Northeast Asia. And so we take it very seriously. A major objective of ours.

Mr. FORTENBERRY. Thank you, Mr. Chairman.

Mr. LEACH. Thank you.

Mr. Delahunt.

Mr. DELAHUNT. Thank you, Mr. Chairman.

I didn't read the report that was alluded to—welcome, Ambassador. I am not familiar with the report that was alluded to by my friend and colleague from California, Mr. Rohrabacher, about the assistance being provided by the Chinese Government to the development of a nuclear weapon program by North Korea. Could you bring me up to date on that report?

Mr. BURNS. Congressman Delahunt, I am aware of the report, but I have not read it in full, so I don't want to—

Mr. DELAHUNT. Could you tell me who authored the report?

Mr. BURNS. I don't know the authors of the report.

Mr. ROHRABACHER. If the gentleman will yield, we are talking about a report that will become public tomorrow by the U.S.-China Economic Security Review Commission, which is a bipartisan commission established to look at Chinese policy in relationship to the United States.

Mr. DELAHUNT. Well, again, I am unfamiliar—maybe you can tell me who this particular group is, and is it an authorized—was it established by an act of Congress, or is it an advisory group to the Administration?

Mr. BURNS. Mr. Delahunt, I am aware of the fact of this report, but I have not read it; so I think I should withhold judgment on it until I can read it.

Mr. DELAHUNT. I am not asking about the substance of the report.

Mr. ROHRABACHER. If the gentleman would yield, it was a commission established by the United States Congress Bipartisan Commission.

Mr. DELAHUNT. Well, I will read that with great interest because—and please correct me, Ambassador, but obviously, the national security of the United States is implicated by what has occurred recently in North Korea, but it may be drawing the incorrect inference. But I would presume that the national security of the People's Republic of China was put at risk by the developments recently in North Korea.

You indicated that in your conversations with Chinese officials, they expressed anger. Did they express concern about their own national security, given the developments in relationship to the nuclear test and what we presume to be the development of nuclear weapons by North Korea?

Mr. BURNS. Mr. Delahunt, there is no question that the Chinese Government has communicated with the United States its outright opposition to the fact that North Korea has nuclear weapons and that they have conducted a nuclear test. And I understand Chinese policy to be that they would like to see a full dismantlement of North Korea's nuclear industry as well as its nuclear complex, because China is a neighbor and does not wish to live next door to a nuclear-armed North Korea. That is how I understand Chinese policy, that is how they expressed it to me. And I am not aware, personally, of any effort by the Chinese Government to assist the North Korean nuclear program.

Mr. DELAHUNT. Because that would just seem illogical to me, from the perspective of the national security interests of the Chinese, you know, to have a program, let alone participate in helping the development of a nuclear weapons program. Again, I am not disputing my friend and colleague's concern or what he is reporting that will be stated tomorrow, but that just—I find that shocking, because I would hope that we don't have to go to great lengths to compel the Chinese Government, to influence the Chinese Government. I am sure they are very adroit at recognizing their own national security interests. I would hope that they would take a leading role in persuading the North Koreans to desist and to denuclearize the Korean Peninsula. Do you have a comment?

Mr. BURNS. I would just say, Congressman Delahunt, that what unites the five parties in these talks is our agreement that we are not going to recognize North Korea as a nuclear weapons state, we are going to look for a complete dismantlement, and we are going to use our combined influence to achieve that under the terms of this agreement that was negotiated 14 months ago, the September 19, 2005, agreement. And in my 2 days of discussions in Beijing last week, the Chinese Government did exhibit a great determination to see that agreement fulfilled now. And that is the rationale for leaving the diplomatic door open to the resumption of these Six-Party Talks, which we deliberately have done. And in fact we have announced we are going to go back to the talks.

What we need to do in the next few weeks is to work with the Chinese, the Russians, the Japanese, the South Koreans, and all send a common message to North Korea, when the North Koreans show up at the talks, they have got to deliver this time, and they have got to implement this agreement from September 2005. That is very important, and that is the crux of our diplomacy over the next few weeks.

Mr. DELAHUNT. Thank you, Ambassador.

And before I conclude, I would like to extend my good wishes to the gentleman behind me who is chairing the Committee. Jim Leach has been an extraordinary contributor to the dialogue and to the conversation, the public conversation on issues of profound concern to all of us. He will be sorely missed.

Jim, I think you know that you command deep respect from this side of the aisle. So let me add my kudos to those that have already been stated, and that will continue, justifiably, to go your way as you depart. Best of luck.

Mr. LEACH. Well, thank you very much, Mr. Delahunt, I appreciate that.

I want to comment on a couple of things that have been said before, and then ask a couple of questions.

First, the food assistance issue has been raised. There clearly is a case of, all assistance of any kind is in a sense fungible and can be used in other ways; but on the other hand, there is a distinction between humanitarian aid and other more strategic articles. And as a general proposition, I think the United States makes a great error to cut off food assistance to almost any country, unless we are in war. And I think we have been quite proper in our assistance of food to North Korea. And we may well have to upgrade that rather than retard that. And I do not think the United States Congress should go on record against food assistance, I think it should be the exact opposite.

Secondly, with some concern, I listened to one of your comments, and I want to be very careful about this, Mr. Secretary. I believe you set up a bit of a straw man argument. I know of no serious commentator or observer of North Korea that favors solely bilateral discussions, which is the way you phrased it. A number of us have come to the conclusion that the Six-Party process, which has a lot of advantages, should be complimented by more direct negotiations, and that is a distinctly different flavor.

The advantage of the Six-Party process, as you have noted, is that it involves other parties who have a terrific interest in the

issue, it also makes clear to the North Koreans that they are not dealing with the United States exclusively, they are dealing with the international community, which is largely united in opposition to certain North Korean policies. But one of the disadvantages of an exclusive Six-Party process is that, while it is true that our representative can deal with their representative in Beijing, Mr. Hill and Kim Jong-il, the disadvantage is we cannot deal at the decision-making level with North Koreans.

And there is a—we have a professional diplomatic in the Six-Party process of our own, they have, by their standards, a professional diplomat, but not a decision-making individual.

In addition, there is an extraordinary psychological dimension to this. I am often impressed that in international relations, as in personal relations, there is a role of psychology, and we have taken a position that we will only deal with them in the context of the Six-Party process, although we will deal with them in a direct way at these talks, but they have taken the position that they want to meet with the United States. Given the fact that this is the most isolated country, possibly, in the history of man, and certainly in the modern world, I don't understand how it is in the United States' national interest to keep them isolated from an American representation in their capital.

And so my sense is, given where we are, that we should be willing to put on the table, once they return to the Six-Party Talks, once we receive the kind of commitments, vibrations, whatever they might be, at these talks, that hopefully we will reconvene, as you suggest, before the end of the year, we ought to weigh anew whether or not we ought to respond in a direct way as well as within the Six-Party Talks. And I think we can—there is no reason that we can't wait and review this.

But a number of aspects of this. When I was in North Korea with Congressman Lantos 15 months or so ago, I really stressed the model that I believed they ought to be looking at seriously, which is the model of Vietnam, a country we were at war with 3½ decades ago—North Korea 5½ or so decades ago—and that it is impressive to me how far we have come in a direct way in dealing with Vietnam. In fact, it is maybe the one country in the world that has a substantially more improved relationship with the United States in recent years, and that there is no reason whatsoever that North Korea should not look at this Vietnamese model very seriously. But an aspect of the Vietnamese model is the willingness of the United States to deal directly with North Korea. Now, there obviously may be timing aspects to this, but I think we should be very careful not to make it psychological on our part to refuse.

And I do not understand that dimension of the circumstance, and whether it be meeting with significant North Korean figures in Pyongyang, or possibly in the United States, I cannot think of anything more likely to lead to a change in the psychology of the country.

And here, let me just conclude with an observation, that all of us know so little about the decision making in North Korea, although we certainly believe that it is closely held. But when one travels in North Korea, one is certainly left with the impression

that there is very little analogy to Eastern Europe, that is, their public is not pro-American, just as the government isn't pro-American, and in the Cold War era, Poles and Hungarians and Czechs were incredibly pro-American, the government wasn't. These people aren't.

And so it strikes me that our strategy should be aimed at the people as well as the Government of North Korea. And we have a non-government policy to the North Korean people, and that, to me, is absolutely astonishing. And I think we should be thinking very much in these terms.

The other aspect of this is, when you look at North Korea, it is very clear that there are no social institutions like in Eastern Europe; I mean, there is no Lech Walesa leading a labor movement, no Vocklahavam leading an intellectual movement. The only alternative to Kim Jong-il is the military. And I think strategies that they perceive to be aimed at regime change are the exact type of thing that may be counterproductive to the United States' national interest.

And so I think you deal with it by being as respectful as possible to leadership, no matter how out of step it is and no matter how out of sync it is with reality. And respect doesn't have to go to policy, but it can go to process. And one aspect of directly talking to people is you have a respectful process.

And so I would only leave you—and I don't need to search for responses to theoretical questions because you point out pretty well where the Administration stands, but with the notion that one of the strengths the United States has in the world is a peculiar kind of American openness, one of the strengths that we have underutilized in recent times is an incredibly professional United States Department of State. By chance, we have—or I shouldn't say by chance—by consideration, we have one of the truly fine diplomats in America today, Secretary Hill, leading our delegation. Why we shouldn't utilize these strengths, I don't completely understand.

Now what I do understand is that we don't want to be put in the position of North Korea suggesting that this is all North Korea with issues vis-a-vis the United States or vis-a-vis the world. But I don't think direct talks slant as much in that direction as people seem to think. And I hope when you say you are leaving a door open—you very precisely in negotiations have said you are leaving the door open to returning to the Six-Party Talks, and you are not suggesting you are leaving the door open to direct talks. And I would hope that there would be two doors, and that this country can think anew about this circumstance, perhaps based upon some forthcomingness that we are hoping for at the next round of the talks.

Does that fit the State Department's perspective, or is that in obverse to it? Please.

Mr. BURNS. Thank you, Congressman Leach, for those very thoughtful questions. Let me just make three comments in response, if I could.

The first is to share your assessment of my good friend Chris Hill, who is one of our finest diplomats, and we are very fortunate to have him. And he is the point person for the North Korea talks, as well as our assistant secretary the entire region.

Second, on food assistance. In my response to Congressman Rohrabacher, I was simply trying to suggest that there are times when the United States has to meet a moral imperative and a humanitarian imperative, and we can't allow the North Korean Government to victimize its own population so much that we turn away from extending food assistance during a famine.

And so I think both of the last two Administrations, the Administrations of President Bush and President Clinton, have elected from time to time to extend food aid, normally through the World Food Programme, which is a highly efficient and effective UN organization. We haven't given food aid since 2005. We have had some real concerns about our ability to effectively monitor how the aid is distributed. We don't want the North Korean Government or military to steal the aid or steal the food, we want it to go to people who are truly affected, but I certainly didn't want to close off the possibility that we might choose to—the President might choose to resume aid, should there be that humanitarian imperative. That was the point I was trying to make.

Secondly, I think you have asked very good questions and made good comments about the difficulty of deciding how you move forward diplomatically. And I would say this; I think we are pursuing a number of channels here. We have the Six-Party Talks. And what I meant to say in my opening remarks was there has been criticism of our Administration for pursuing the Six-Party Talk format, and I was trying to answer that criticism. It just seems logical that China, Russia, Japan and South Korea have as much interest as we do, in closer proximity to North Korea, to stop a nuclear program. We want to build on that strength in a multilateral format. That is why we have chosen the Six-Party format.

We have not denied the possibility of direct contacts; in fact, there was a direct face-to-face bilateral discussion/negotiation 2 weeks ago by Chris Hill and Vice Foreign Minister Kang Sok-ju in Beijing. In 2005, I think it was July 2005, there was a similar meeting.

So from time to time, we have elected to deal with the north bilaterally. The North Koreans have a mission in New York at the United Nations, and from time to time, we speak to them directly from the State Department, from other offices of the Executive Branch directly to the North Koreans. So we have not disavowed direct contacts, but we are putting the emphasis on the Six-Party format because we believe that has the best chance to be effective and to bring the result that we want, which is dismantlement of the nuclear programs and denuclearization of the Peninsula.

I would also say just to conclude my response, the North Koreans have effectively isolated themselves here. Had they chosen to implement the September 2005 agreement, as opposed to disavowing it within 24 hours, then I think it is logical to assume that over the last 14 months we would have had a variety of engagements with them. And if you look at the September 19th agreement, it does talk eventually about fully normal relations, but that is the end of the process, once they have affected a denuclearization. And I think it is an interesting point of comparison with Vietnam, but a very different situation.

We normalized in August 1995 because the major issues that separated us had been resolved, and there had been a lot of active Vietnamese cooperation on the POW/MIA issue in particular. We haven't seen that in North Korea. The major issue of nuclear weapons is unresolved. The other issue of human rights is out there, too. So we have a lot of business that needs to be transacted with the North Koreans and a lot of impediments to overcome before we can have that type of relationship, a lot of business indeed.

Mr. LEACH. Mr. Sherman.

Mr. SHERMAN. I would ask that the Chair recognize Mr. Delahunt first. I believe he has a brief comment.

Mr. DELAHUNT. I will be very brief. I just want to associate myself in full measure with the observations of Mr. Leach. And I would encourage the Administration to secure a copy of the transcript to review that, to take it to heart. I think you are going to be hearing much of that in the course of the next 2 years. And I would encourage extending those remarks, whether it be Latin America or wherever it be, because the concept of respect and respect for process in contact is important.

I was very impressed with the former Secretary of State, Jim Baker, when he reminded us that it was 16 trips to Syria that finally resulted in an unsuccessful—but did result—dialogue between Syria and Israel relative to Golan Heights, and I thank the gentleman for yielding.

Mr. LEACH. Mr. Sherman.

Mr. SHERMAN. Thank you.

First I would like to add some additional praise to Mr. Leach. I didn't hear all of his comments, but I have heard him for 10 years now, and I am quite disappointed that I won't continue to hear him at least in the exact same capacity. I think that Congress will benefit from his wisdom no matter how he chooses to express it.

Mr. Secretary, North Korea has demonstrated that it is willing to endure significant pain in order to have nuclear weapons, and it will continue down this path as long as it retains at least some significant economic aid and at least some diplomatic support from China. So the key is China.

The facts on the ground observable from Beijing are that they don't want North Korea to have nuclear weapons, but they put a greater emphasis on preventing North Korea from imploding. When Beijing looks toward the United States, it sees facts on the ground as well, namely, the United States will not link China's activity toward North Korea in even the tiniest way toward our trade policy toward China, and the United States won't sign a nonaggression pact with North Korea, though we will author a personal promise from an individual who will continue to guide our affairs for 26 months.

And so they look at the facts on the ground, and they have decided to adopt the policy that they have adopted, which has been favorable enough toward North Korea for North Korea to continue its program. Now we send Secretary Hill to Beijing to try to convince China that they misunderstand the facts on the ground or have miscalculated their own national interests. And we all pray that at some point, Beijing will recognize Secretary Hill's brilliance

and change their policy, even though there are no changes in the facts.

I have tremendous faith in the power of prayer, but perhaps we ought to consider changing the facts that are observable from Beijing in order to get Beijing to change its policies. We could change the facts in a number of ways. We could have some tiny aspect of our trade relationship or of the general atmospherics of the trade relationship dependent on China's behavior toward North Korea.

We could offer a nonaggression pact toward the North Koreans. We could promise China that our troops will never go north of the 38th Parallel, even if North Korea implodes, or we could even offer China that we would withdraw from the Korean Peninsula, should that peninsula ever be unified under a single government. We could probably do some other things as well. We could, in effect, change the facts observable from Beijing.

And so believe it or not, I do have a question, and that is: Are we going to change the facts observable from Beijing, or will we continue to simply show China or try to show China that they haven't understood the facts or haven't really calculated correctly what is in their own national interests, given the facts that they can observe?

Mr. BURNS. Congressman Sherman, I would argue that there has been a reaction from China, which has been, from our point of view, positive, particularly after the missile test of July 4 and 5, and most especially after October 9—

Mr. SHERMAN. Mr. Secretary, if I could amend my question, I should have recognized that, China has taken a step forward. The premise of my question is that they haven't taken enough steps so as to change North Korean behavior. Now I may be wrong on that assumption, but I at least ought to state it.

Mr. BURNS. In our discussions with the Chinese over the month—it has been just over a month since the nuclear test—the Chinese have exhibited, as I said to other Members, real frustration and, indeed, anger at what the North Koreans have done. But more importantly, they were a leading partner in the effort to craft and then pass in the Security Council Resolution 1718 5 days after the nuclear test. And that was important because we have seen, for instance, on the Iran UN Security Council resolution, what happens when countries want to slow down the process, and that is exactly what is happening now in New York.

In the case of North Korea, the process was facilitated by China, and we considered China to be a lead partner, along with Japan, in the negotiations over that resolution. So we were impressed by that.

Now, there are two other ways that China can be helpful. The first is in implementing 1718. And what the Chinese told us last week in Beijing is that they will implement that resolution by the letter of the resolution, and we respect that and we expect that to happen.

Secondly, the diplomacy ahead is going to be very challenging. We are not interested in going back to the talks just to talk and have no result. There is a specific outcome that all the five parties have agreed on, and that North Korea says it has agreed to, and

that is, they will finally implement this agreement from September 2005. And so China is going to be important.

Now, it is my judgment—this gets to the heart of your question, I think, Congressman Sherman—it is our judgment that China has influence, perhaps more influence than any other country, on North Korea. But I think it is at least worth debating whether China has ultimate influence. The Chinese will tell you they don't, and that they have some influence, but not influence to dictate the behavior of the North Korean regime. I think that stands to reason. China doesn't want to see a nuclear-armed North Korea, but a nuclear-armed North Korea has emerged.

So the challenge to our diplomacy is to affect a better working relationship with China and to have North Korea and the resolution of the problem be a point of common ground. In the recent discussions we have had, there are many indications that the Chinese see this in the same fashion, therefore, we wouldn't agree that somehow we would link China's behavior on this issue with other aspects of our bilateral relationship, however challenging they are—and we are concerned about some of the same issues that you are—because we do think that China is heading in the right direction with North Korea and has been a good partner, especially over these last months, since the missile and nuclear tests over the last 6 months.

Mr. SHERMAN. I comment that the one fact that has been changed on the ground was changed by Kim Jong-il, when he tested, and that that has caused a change in fact, did cause China's behavior. China's behavior, though, is not yet optimal. And I think our success depends upon persuading China to adopt an optimal behavior, and also offering carrots that we can offer. We need more carrots. We are capable of providing the carrots, but only China can provide the sticks, that is to say, adverse changes in the status quo to the North Koreans.

So I will continue to pray that China will reach optimal policies without us doing anything to change the facts, that Kim Jong-il's change of the facts will be sufficient, and at the same time I will continue to urge you, just in case my prayers are not fully heard, to do everything possible to change the facts that the Chinese can observe both our policy toward China and our willingness to provide carrots to North Korea.

And I yield back.

Mr. LEACH. Thank you—

Mr. SHERMAN. Unless the Secretary has further comment.

Mr. LEACH. One final question, and then we will bring the Committee to a close.

Do you have any update on the Banco Delta Asia situation, and are we close to resolution of that?

Mr. BURNS. Yes, I do, Congressman Leach. And it is in my prepared testimony, but I will deal with it briefly.

When Ambassador Hill met with Ambassador Pak Gil-yon on October 31, they agreed that we would form a working group on financial measures within the format of the Six-Party Talks, and that some of the outstanding issues—and we have a lot of them—pertaining to North Korea's behavior would be addressed in that working group. There is the issue of the activities of the money

laundering by the North Koreans through Banco Delta Asia, there is the illegal North Korean counterfeiting of the American dollar.

And as you know, there are legal processes underway in our Government to address some of those issues. And so we felt that this was a proper way to bring this issue forward with the North Koreans.

Now, it was my understanding from Ambassador Hill that the North Koreans did not make this a condition of a resumption of the Six-Party Talks, but it was clearly an issue of concern to them. It is an issue of concern to us. And the easiest way to resolve this is for the North Koreans to stop money laundering in the North Korea Government, and stop counterfeiting American currency.

Mr. LEACH. I appreciate that very much. And let me just conclude by saying that, of all the issues between North Korea and the United States, there appear to be misunderstandings, to me, the largest is the counterfeiting issue. To this extent, no country should countenance any other country where hoodlums in that country are counterfeiting the currency of another country. And this is something we have to take seriously as a people. And the Administration is exactly correct in raising this issue in the manner it has.

Now hopefully it can be resolved, but there should be no misunderstanding on the North's part that the counterfeiting issue is of fundamental significance. And in many circumstances it would be considered an act of extraordinary national interest significance. And so I want to strongly side with the Administration on this issue.

In any regard, thank you for your testimony, Mr. Secretary. We appreciate your public service, thank you. The Committee is adjourned.

[Whereupon, at 1:34 p.m., the Committee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE TED POE, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF TEXAS

Although we already knew it to be true, Kim Jong-Il has proven once again that he is more than willing to put his own maniacal ambitions ahead of the needs of his countrymen. Last month, North Korea's rogue regime announced the test of a nuclear device, in spite of loud protests from the world community.

We can take no comfort in the fact that the test results show a low-yield device. North Korea's intentions are clear.

As the world responds to another act of aggression, the consequences of these actions will only create greater hardship on the people of North Korea. The North Korean people have been shouldering the burden of this brutal regime's policies for many years. And with every defiant act ordered by Kim Jong-Il, it is his countrymen that will unfortunately pay the price.

None of us here question our duty to serve the American people. However, as a madman continues his quest to obtain the most powerful weapons known to man, we must also remember that the fate of 23 million people inside the borders of a despotic North Korea hangs in the balance.

