A STRATEGY FOR DEALING WITH NORTH KOREA

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Mr. Chairman, Members of the Committee: Thank you for inviting me to appear before you today. I have been involved in the North Korean nuclear and missile issue for the past fifteen years, including conducting Track II meetings with senior North Korean officials, as well as with senior officials of the other six parties.

I would like to address three issues today: (1) what we know and don't know about North Korea's intentions and the future of the current regime in Pyongyang; (2) our desire for change in North Korea and how to bring it about; and (3) our lack of leverage over North Korea and how to increase it. To address these issues, we need a new strategy.

Uncertainty

When we look at North Korea, we are rightly repelled by goose-stepping troops and gulags, a regime motivated by paranoia and insecurity to dig tunnels and menace its neighbors, a command economy that makes little for the world to buy except missiles or other arms, a leadership that mistreats its people, a state that committed horrific acts in the past like its 1950 aggression and the 1983 Rangoon bombing that barely missed South Korea's president and killed seventeen members of his entourage. It is one of our core beliefs that bad states cause trouble in the world. North Korea, with its one-man rule, cult of personality, internal regimentation, and dogmatic devotion to juche ideology is a decidedly bad state. That's what we know about North Korea.

A wise analyst once wrote, “Finding the truth about the North's nuclear program is an example of how what we 'know' sometimes leads us away from what we need to learn.”

What do we need to learn?

There are widespread doubts about the accuracy of North Korea’s nuclear declaration. We do not know with any precision how much plutonium North Korea has produced. Nor do we know the extent of its uranium enrichment effort. Nor are we sure whether North Korea has deliverable nuclear weapons or not. It says it does but its 2006 test did not demonstrate that. We do not yet know if its recent test did, either.

What has North Korea been up to in nuclear and missile diplomacy with the United States? Again, we do not know. The prevailing assumption in Washington is that Pyongyang has always been determined to arm. Such an aim seems understandable enough for a militarily weak and insecure state, but it fails to explain two significant anomalies in its nuclear and missile activities over the past two decades:

(1) As of today, the only way for North Korea to make the fissile material it needs for weapons is to reprocess spent nuclear fuel from its reactor at Yongbyon and extract the plutonium it needs for nuclear weapons. Yet North Korea stopped reprocessing in the fall of 1991, some three years before signing the Agreed Framework, and did not resume until 2003. It stopped again in 2007 and did not resume until now. It thereby produced significantly less plutonium for nuclear warheads than it could have.

(2) The only way for North Korea to perfect ballistic missiles for delivering nuclear warheads is to keep testing them until they work reliably. Yet the North has

conducted just three sets of medium-range missile tests and three tests of longer-range Taepodong missiles in twenty years.

The timing of when it started and stopped its nuclear programs and conducted its missile tests suggests it has been pursuing a two-track strategy to ease its insecurity: on the one hand, arm to deter the threat of attack, and on the other hand, restrain arming as inducement for a fundamentally new political, economic and strategic relationship with the United States, South Korea and Japan. We do not know if that strategy has changed.

Pyongyang's basic stance is that as long as Washington remains its foe, it feels threatened and will acquire nuclear weapons and missiles to counter that threat. But, *it says,* if Washington, along with Seoul and Tokyo, moves to end enmity and reconcile with it, it will no longer feel threatened and will not need these weapons.

Does Pyongyang mean what it says? Most observers doubt it, but the fact is, nobody knows, with the possible exception of Kim Jong-il. ***We need to find out. And we need to find out exactly what he wants in return. The only way to do that is to probe through sustained diplomatic give-and-take - offering the DPRK meaningful steps toward a new political, economic and strategic relationship in return for steps toward full denuclearization.*** All the speculation that it will never give up its weapons only encourages Pyongyang to think it won't have to – and worse, encourages our allies to think we are abandoning our goal of complete denuclearization.

A second major source of uncertainty is the future of the North Korean regime if Kim Jong-il should die or be incapacitated. One thing is clear, whatever happens to him will make the North's nuclear and missile programs more of a risk. Why take the chance that his successor might be less able to make and keep a nuclear or missile deal or control

North Korea's nuclear weapons and material? Doubts about Kim Jong-il's health make diplomatic give-and-take more urgent. ***Managing or ignoring North Korea, as some in Washington favor, is not a prudent policy, especially if the North becomes more unmanageable.***

Change in North Korea

Some believe that the collapse of North Korea is the only way to capture the North's nuclear and missile programs. When and if that might happen is unknowable. Waiting for its collapse while it adds to its nuclear and missile capacity is not prudent. Even worse, collapse would run serious risks that fissile material and missile technology end up in the wrong hands. Collapse is certainly a hope, but hope is not a strategy.

Nor is regime change a credible strategy because none of North Korea's neighbors seem willing to run the risks of collapse. ***The only strategy that can bring about needed change inside North Korea, however gradual and grudging, is sustained engagement and people-to-people exchanges.*** That will require support for NGOs to work on the ground in North Korea and to bring North Koreans here and send Americans there for cultural, scientific and educational exchanges and business, agricultural, legal, financial and other training.

A good example was the concert given by the New York Philharmonic in Pyongyang, which received a warm, at times emotional reception that was broadcast nationwide in North Korea – a useful counterpoint to the steady diet of anti-US propaganda Pyongyang usually feeds to its populace.

Instead of encouraging expanded access, however, we have tried to withhold such exchanges for leverage, for instance, holding up a return visit to New York by North Korea's state symphony orchestra. Doing so gives us little leverage while denying us the benefit of engagement that can stimulate change inside North Korea.

Leverage

That example illustrates a larger point. The DPRK has nuclear and missile leverage. We are reduced to withholding visas for a symphony orchestra. That underscores just how little leverage we have to punish North Korea or compel its compliance. Military action has always been too risky because Seoul remains hostage, within range of North Korean artillery. Sanctions have never caused Pyongyang enough economic pain to make it yield to our will because none of the North's neighbors have been willing to impose stringent enough sanctions to risk collapse. And the North regards sanctions as confirmation of its conviction that we remain its foe, giving it a pretext to continue arming.

While China will support tougher UN sanctions, Chinese officials have repeatedly stated that it has no interest in seeing either nukes or collapse in North Korea. Those who seek to induce or pressure China to cut off all food and fuel to the North want it to act contrary to its interests. This is hardly the time to put our relations with China in jeopardy over North Korea.

The only way to stop North Korea from testing nuclear weapons and missiles and making more plutonium is diplomatic give-and-take, whether bilateral or six-party. That was what President Bill Clinton decided after the North launched its Taepodong-1 in 1998 in a failed attempt to put a satellite in orbit. Talks in 1999 led the North to accept a

moratorium on test launches. When Kim Jong-il met with Secretary of State Madeleine Albright in October 2000, he offered to end not only tests, but also deployment and production of longer-range missiles.

President Bush also opted to negotiate in earnest after North Korea conducted its first nuclear test on October 9, 2006. Just three weeks later, on October 31, US negotiator Christopher Hill met bilaterally with his DPRK counterpart and proposed a compromise end to the financial sanctions imposed in 2005. Negotiations yielded agreements that put Pyongyang on a path to disable its plutonium facilities at Yongbyon.

In neither instance, however, did we sustain our promising diplomatic course, so we do not know how far we could have progressed toward our goal of eliminating North Korea's nuclear and missile programs and weapons.

We do not know now, either.

The step-by-step approach we have taken in six-party talks so far has failed to build much trust or give either side much of a stake in keeping any agreement, leaving Pyongyang free to use its nuclear and missile leverage. And use that leverage it has: whenever it believed the United States was not keeping its side of the bargain, North Korea was all too quick to retaliate – in 1998 by seeking the means to enrich uranium and testing a longer-range Taepodong-1 missile, in 2003 by reigniting its plutonium program and giving nuclear help to Syria, and in 2006 by test-launching the Taepodong-2 along with six other missiles and then conducting a nuclear test.

The lesson that North Korea learned from 1998, 2003, and 2006, but we have not, is that we lack the leverage to coerce it to do what we want or punish it for its transgressions.

It is applying that lesson now. On June 26, 2008 North Korea handed China a written declaration of its plutonium program, as it was obliged to do under the October 2007 accord. North Korea reportedly declared it had separated 38kg of plutonium, a total that was within the range of US estimates, though at the lower end. In a side agreement with Washington, Pyongyang committed to disclose its enrichment and proliferation activities, including help for Syria's nuclear reactor. Many in Washington, Tokyo and Seoul questioned whether the declaration was "complete and correct," as required by the October 2007 agreement. The crux of the dispute is how much plutonium the North had separated before 1991. Here again, we do not know for sure.

The United States decided to demand arrangements to verify the declaration before completing the disabling and moving on to the dismantlement phase of talks. The trouble was, the October 2007 agreement contained no provision for verification in the second phase of denuclearization. The day the North turned over its declaration, the White House announced its intention to relax sanctions under the Trading with the Enemy Act and to delist the DPRK as a "state sponsor of terrorism" – but with a caveat. As Secretary of State Rice told the Heritage Foundation on June 18, "[B]efore those actions go into effect, we would continue to assess the level of North Korean cooperation in helping verify the accuracy and completeness of its declaration. And if that cooperation is insufficient, we will respond accordingly." She acknowledged Washington was moving the goalposts: "What we've done, in a sense, is move up issues that were to be taken up in phase three, like verification, like access to the reactor, into phase two."

In bilateral talks with the United States, North Korea then agreed to establish a six-party verification mechanism and allow visits to declared nuclear facilities, a review

of documents, and interviews with technical personnel. These commitments were later codified in a July 12 six-party communiqué. Undisclosed at the time, the North also agreed to cooperate on verification during the dismantlement phase.

That was not good enough for Japan and South Korea. They demanded a written protocol, and President Bush agreed. The US handed the North Koreans a draft on intrusive verification and on July 30 the White House announced it had delayed delisting the DPRK as a "state sponsor of terrorism," until they accepted it.

North Korean reaction was swift. Retaliating for what it took to be a renege on the October 2007 accord, it suspended disabling at its plutonium facilities at Yongbyon on August 14. It soon began restoring equipment at its Yongbyon facilities. On October 9 it barred IAEA inspectors from its Yongbyon complex.

Disabling was designed to whittle away North Korea's nuclear leverage by making it more time-consuming and difficult for it to resume making plutonium. With the disabling in jeopardy, Hill met his DPRK counterpart Kim Gye Gwan in Pyongyang October 1-3, armed with a revised draft protocol. Stopping short of accepting it, Kim agreed to allow "sampling and other forensic measures" during the dismantlement phase at the three declared sites at Yongbyon – the reactor, reprocessing plant and fuel fabrication plant – which might suffice to ascertain how much plutonium the North had produced. If not, he also accepted "access, based on mutual consent, to undeclared sites" according to the State Department announcement.

President Bush's decision to proceed with the delisting angered the Aso government. Japan and South Korea insisted on halting promised energy aid without more intrusive verification arrangements. In the face of allied resistance, the Bush

administration backed away from the October 2007 six-party accord. On December 11, the US, Japan and South Korea threatened to suspend shipments of energy aid unless the DPRK accepted a written verification protocol. In response to the renege, the North stopped disabling. In late January it began preparations to test-launch the Taepodong-2 in the guise of putting a satellite into orbit.

We then imposed new sanctions, giving Pyongyang a pretext to demonstrate its nuclear and missile leverage and add to it. It is doing just that by reprocessing the spent fuel unloaded from the Yongbyon reactor in the disabling process. Extracting another bomb's worth of plutonium put it in a position to conduct another nuclear test without reducing its small stock of fissile material, which it has now done. It is also threatening to restart its uranium enrichment effort, which could take years to produce significant quantities of highly enriched uranium. Much worse, in just a matter of months, it could also restart its reactor to generate more spent fuel for plutonium. That would give it what it does not yet have – enough plutonium to export. That could also trigger a nuclear arms race in Asia

The experience of the last eight years makes North Korea far less confident about its effort to reconcile with us and our allies and much more confident about acquiring additional nuclear and missile leverage. That makes it much more difficult for us to get Pyongyang to reverse course. In short, ***we do not know if we can get Pyongyang back on the road to denuclearization or how far down that road we can get. We need sustained diplomatic give-and-take to find out***.

A New Strategy

The current crisis prompts a troubling question, how can Washington avoid having to react under pressure from Pyongyang, especially when the process of denuclearization could take years to complete?

Accusing a self-righteous North Korea of wrongdoing and trying to punish has been tried time and again by the last three administrations over the past two decades. That crime-and-punishment approach never worked then and it won't work now.

We need a new strategy, one that focuses sharply on the aim of reducing North Korea's leverage while adding to our own by easing its insecurity and expanding engagement and exchanges. Deeper engagement not only encourages change in North Korea. It is also our only way to enhance our leverage. North Korea may be willing to trade away its plutonium and enrichment programs brick by brick. We should be willing to give it some of what it wants in return. That would reward good behavior. It would also give us leverage to withhold if the North does not follow through on its commitment to disarm.

To probe with an open mind what North Korea wants and what it will do in return, we need an internal policy review that crafts a road map to put more for more on the negotiating table – not a grand bargain, but a comprehensive list of sequenced reciprocal actions to normalize relations, sign a peace treaty, end enmity and reconcile with North Korea, easing its insecurity and isolation. In return for steps toward a new political, economic, and strategic relationship with Washington, Pyongyang needs to satisfy international norms of behavior, starting with a halt to exports of nuclear and missile technology – along with nuclear and missile tests – and then move to eliminate its

nuclear and missile programs. ***In negotiating, we need to be clear about what we want at each step and honor the terms of any agreements we reach with Pyongyang.***

One possible roadmap of more for more might look like this:

- Send a high-level emissary, someone with the stature of former President Bill Clinton or former Secretary of State Henry Kissinger who can get access to Kim Jong-il, and propose ***a little more for more***:
    - Complete the disabling of the plutonium facilities and the disposal of replacement fuel rods in return for delivering promised energy assistance on schedule and move on to permanent dismantlement.
    - Begin verification of its plutonium production in return for additional energy aid.
    - As inducement to a moratorium on nuclear and missile tests and exports, begin a peace process on the Korean peninsula with a declaration signed by the United States and North Korea, along with South Korea and China. In that declaration Washington would reaffirm it has no hostile intent toward Pyongyang and formally commit itself to signing a peace treaty ending the Korean War when North Korea is nuclear-free. It would then commence to negotiate a series of peace agreements on confidence-building measures.

After consultations with South Korea and Japan, ***propose a lot more for a lot more***:

- Deepen economic engagement with agricultural, energy and infrastructure aid bilaterally, multilaterally and through international financial institutions as

inducement to an agreement to dismantle its nuclear facilities and its medium- and longer-range missile programs along the lines of October 2000.

- Begin constructing power plants as North Korea dismantles its nuclear programs and begins to turn over its nuclear material and weapons.
- Establish full diplomatic relations as Pyongyang dismantles its fuel fabrication plant, reprocessing facility, and reactor at Yongbyon with the aid of Nunn-Lugar funding, carries out the verification of its plutonium production, adopts a plan for verification of its enrichment and proliferation activities, and holds talks with the United Nations on human rights issues, such as opening its penal labor colonies to visits by the International Committee of the Red Cross, and makes progress on allowing free exercise of religion.
- Commence a regional security dialogue that would put North Korea at the top table and eventually provide negative security assurances, a multilateral pledge not to introduce nuclear weapons into the Korea Peninsula (a nuclear-free zone), and other benefits to its security.
- Complete power plants, perhaps including a replacement nuclear reactor, and sign a peace treaty once the North gives up all its nuclear material and weapons.
- Hold a summit meeting with Kim Jong-il in return for its disposal of some plutonium – at a minimum the spent nuclear fuel removed during the disabling process. At that meeting conclude agreement on the above roadmap, which would then be subject to six-party approval.

By getting Kim Jong-il's signature on such a deal, President Obama would give Pyongyang a tangible stake in becoming nuclear-free. ***It would also give Washington its***

first real leverage: US steps could be withheld or reversed if – and only if – Pyongyang doesn't follow through on commitments to give up its nuclear programs and arms.

Will our allies go along with this strategy? ***Whatever the allies' misgivings about US diplomatic give-and-take with the DPRK, letting North Korea's nuclear and missile programs run free will only aggravate alliance relations.*** US failure to deal with the North Korean threat has already sowed unease in some quarters of Tokyo and Seoul about how much they can rely on Washington for their security. Their unhappiness with US policy can best be addressed neither by deferring to their wishes nor by running roughshod over them, but by frank and thorough consultation. That includes serious discussion not only about our negotiating proposals but also about their security needs as long as North Korea remains nuclear-armed. ***Above all, it means making clear to our allies that we will not accept a nuclear-armed North Korea and that we remain committed to our goal of complete denuclearization of the Korean peninsula.***