NORTH KOREAN MISSILE LAUNCHES AND IMPLICATIONS FOR US POLICY

Testimony by Arnold Kanter Principal, The Scowcroft Group

Before the Committee on Foreign Relations United States Senate

July 20, 2006

I appreciate the opportunity to appear before the Committee today to provide my assessment of the recent North Korean missile launches and their implications for US policy options with respect to North Korea. I would like to note for the record that I am appearing in a personal capacity, and that the views I am expressing are my own.

I have two principal points:

- <u>First</u>, while undeniably provocative, the military threat posed by North Korean missiles depends far less on the missiles themselves than on whether they are armed with nuclear weapons. Put differently, the central security issue is and remains the North Korean *nuclear* program, and we should not allow their missile launches to divert or dilute our attention from that central issue. Our responses, including our military responses, to this North Korean provocation should be guided accordingly.
- <u>Second</u>, the North Korean missile launches have produced effects that paradoxically have been largely *positive* from the perspective of US security and diplomatic objectives. The challenge we face is to seize and exploit the opportunity that the North Koreans have unintentionally created.

Let me explain how and why I have reached these conclusions.

As with almost everything that North Korea does, its motives for launching multiple missiles on July 4 are, at best, unclear. The military results have been mixed. Although the North Koreans may have acquired useful data from the apparent failure of Taipodong 2, the missile's destruction shortly into its flight must have been embarrassing to Pyongyang, and will do nothing to increase the confidence of North Korea's would-be missile customers in the product that Pyongyang is marketing. That said, the North Koreans did demonstrate a capability to do multiple launches in a relatively short period of time. In doing so, they also underscored their ability to threaten Japan and South Korea – including the US military forces and nationals in those countries – as well as China with ballistic missiles. But I conclude that the direct and immediate significance

of the North Korean missile launches lies less in their military effects than in their political effects, both intended and unintended.

The political effects of the North Korean missile launches likewise have been mixed. If they were designed to get attention, it certainly worked, but almost surely in way that was unintended and unsought by Pyongyang. (As a corollary, I would note that we should be careful neither to give too much credit to Pyongyang's ability to play a weak hand, nor be too sanguine about its ability to avoid serious miscalculations.) Indeed, it is hard to avoid the conclusion that whatever the North Korean plan may have been, it has backfired on them and has produced results that serve *our* interests.

North Korea's open defiance of widespread calls not to launch the missiles produced near-universal condemnation by the international community, and left it even more isolated diplomatically. China and South Korea have been particularly embarrassed. As a result, they probably are less inclined and – in terms of their own politics – probably less able to provide the support and economic assistance to Pyongyang that, intentionally or not, have facilitated North Korea's stonewalling. Closely related, the North Korean missile launches have had a commendable unifying effect on our negotiating partners in the 6-Party talks by narrowing differences between the US and Japan on the one hand, and China and South Korea on the other, and by highlighting that it is North Korea, not the United States, that is the problem and obstacle.

Saturday's UN Security Council resolution on North Korea was a critical test of this renewed unity of purpose. A Chinese veto of the Japanese resolution, and/or a US veto of the Chinese-Russian resolution would have been a huge self-inflicted wound. Conversely, the fact that key members of the 6-Party talks were able to come together to pass unanimously a tough, binding resolution not only underscored Pyongyang's intensified isolation, but also demonstrated that they could and would submerge their differences over priorities and tactics to stay focused on the North Korean threat.

Make no mistake: this renewed unity of purpose is quite fragile. Moreover, it could well be tested again – and in the near future. If the North Koreans follow through on their threat to conduct more missile launches, the UN Security Council will have no choice but to confront the issue of how – and how forcefully – to respond. In that event, the differences that were papered over and compromised in the July 15 resolution will reemerge. Another test will be how UN member states now proceed to implement the resolution. If the United States and/or Japan implements it in a way that China, South Korea, and perhaps Russia regard as overly aggressive and expansive – amounting to broad-gauged, regime-threatening economic sanctions by another name – then the unity that was forged on Saturday could well erode and potentially vaporize.

In some ways, the most important result of the missile launches has been not only to move the North Korea issue off the back burner where it has been pushed by other priorities and back on to the radars of senior policy makers, but to have done so in a way that also has fueled a broad-based and broadly negative international perception of North Korea and its irresponsible behavior. The challenge for US policy is how best to capitalize on the opportunity that has been presented.

I know that everyone on the Committee appreciates not only the importance but also the urgency of the threat presented by the North Korean nuclear issue, and I do not propose to replow that ground. I also share the skepticism – even the deep skepticism – that many have about whether there exists any plausible set of security, economic, and political inducements that would persuade the North Koreans to abandon their nuclear weapons ambitions.

That said, it is hard not to be struck by the fact that while we insist that Pyongyang needs to make a strategic choice between nuclear weapons and becoming a prosperous and secure member of the international community, the North Koreans currently face few, if any, incentives to make that very hard choice, and confront few, if any penalties, for their failure to do so. Instead, they continue to have it both ways: continuing to produce material for nuclear weapons while, at the same time, continuing to receive economic assistance and investment, particularly from South Korea and China. Their missile launches and the ensuing international response create a new and potentially promising opportunity at least to make North Korea to choose – and make clear – the path it will take.

The outlines of what is required to exploit this opportunity are familiar. On the one hand, North Korea needs to be persuaded that it will pay a steadily increasing price for its continuing defiance. The public embarrassment that Pyongyang has caused Beijing and Seoul increases the chances that they will now be more willing to make clear to North Korea that its continued stone-walling will not be cost-free, while the July 15 UN Security Council resolution provides the international authority for them to do so.

On the other hand, the United States not only needs to persuade North Korea that we are serious about our commitment to a diplomatic solution, and about delivering on our promises of security assurances and economic benefits. In some ways more important, we also need to persuade our negotiating partners about our own good faith so that they will use their leverage on Pyongyang to get it to return to the talks and negotiate seriously.

To outline these conditions is to make the current Perm 5 +Germany approach on *Iran* an almost irresistible metaphor, and perhaps even a model, for a strategy toward North Korea, including with respect to some specifics, e.g., an analogous approach on the issue of civil nuclear power.

How, then, should the United States proceed? I believe there are two primary and closely related tasks. First, we need to seize the moment and the initiative. Second, and equally important, we need to work hard to maintain the current unity of purpose about North Korea that has emerged. This means making clear that, as in the case of Iran, we will be prepared to respond to North Korea's legitimate concerns provided our partners are prepared to join with us in taking tougher measures if North Korea continues to pursue its

nuclear weapons ambitions. It also means working to remove obstacles to a resumption of the 6-Party talks or, more precisely, North Korean excuses for refusing to return to the talks.

In this connection, let me note that the issue of direct US-North Korean talks is – or at least ought to be – a red herring, and we should take it off the table in order both to deny the North Koreans the excuse and to ensure that it is not a point of friction among the Five. A clear reiteration and an appropriately flexible interpretation of the current US position that it is prepared to engage with North Korea bilaterally in the context of the 6-Party talks should be sufficient.

The Treasury Department's investigation of money laundering by the Banco Delta Asia in Macau is a more difficult problem. Some may wish that the US had not decided to move against the Macau bank, but we have. And having done so, there are legitimate law enforcement concerns that now need to be addressed, if only because it is hard to argue that the United States should and will turn a blind eye to money laundering and other serious currency violations in exchange for a North Korean agreement to return to the 6-Party talks. However, the US should pursue the matter as a tightly focused investigation, and one that is completed as expeditiously as possible, so as to rebut accusations by Pyongyang – and to assuage concerns among our 6-Party partners – that these are de facto economic sanctions against North Korea that will remain in place indefinitely.

Let me close by again expressing my appreciation for the opportunity to present my views to the Committee.

Thank you.