Better late than never . . .


March 2, 2004

Presiding: Senator Richard Lugar

Witnesses:
Panel 1:
The Honorable James Kelly, Assistant Secretary, Department of State

Panel 2:
Mr. Terence Taylor, President and Executive Officer, International Institute for Strategic Studies

Mr. Victor Cha
Associate Professor of Government, School of Foreign Service, Georgetown University

Mr. Tom Malinowski, Advocacy Director, Human Rights Watch

**Chairman Lugar’s opening statement:** The Chairman’s brief statement is available at the following link: [http://www.senate.gov/~foreign/testimony/2004/LugarStatement040302.pdf](http://www.senate.gov/~foreign/testimony/2004/LugarStatement040302.pdf)

One highlight: Chairman Lugar referred to the $50 million in Nunn-Lugar Cooperative Threat Reduction Program that Congress authorized to be used outside of Russia, adding “As talks continue, we must begin to think about how a negotiated settlement with North Korea could be effectively implemented.” [Cooperative Threat Reduction funding that was included in the $87 billion supplemental is being used in Iraq and perhaps Afghanistan and Pakistan. Uses might include, for example, DOE training of Iraqi scientists.]

**Assistant Secretary James Kelly:** Secretary Kelly’s opening statement was brief, and his main points in the statement and Q&A were well-covered in the mainstream press shortly after the hearing. A few additional comments: As in the presentation given by Mitchell B. Reiss, Director of Policy Planning for the Department of State the following week (“North Korea’s Legacy of Missed Opportunities,” Heritage Foundation, March 12, 2004) Secretary Kelly emphasized that it is up to North Korea to make a choice. He said “The onus is on the DPRK to demonstrate its commitment to abandoning its nuclear programs by being forthcoming about the entirety about its efforts, including uranium enrichment.” And “The DPRK needs to make a strategic choice for transformed relations with the United States and the world as other countries have done.” And “We are offering North Korea a chance to choose a path toward international responsibility. We hope we and our partners in the six-party talks can bring North Korea to understand that it is in its own interest to take the opportunity.”

Secretary Kelly also said that after the nuclear issue begins to “unfold” discussion and progress on other issues such as missiles, conventional forces and human rights, “could lead to full normalization.” He later added “We did not say, Mr. Chairman, that every last part of the dismantlement of the nuclear program must be complete before there can be any progress on other measures.”

Finally, as covered in newspaper reports, in both his opening statement and during Q&A he referred to the growing importance of the talks as a forum for regional dialogue, saying that while there is vigorous security dialogue among EU states, “Northeast Asia has had no such event. But the chemistry of articulating interests in a direct but respectful way on an equal footing is developing at the six-party talks in a way that I anticipate will someday pass well beyond the DPRK nuclear issue.”

**Q&A with Sen. Lugar:** (excerpts; combines both sessions):

**HEU:** Sen. Lugar asked for more information about North Korea’s HEU program. Sec. Kelly referred to disclosures from Pakistan, Libya and German courts (attempted shipments of centrifuges) and said “All of this evidence is starting to pile up publicly. And we did not find any of other partners involved in the denials or even expressly stating that they don’t know whether this is the case.”

**Normalization:** Sen. Lugar referred to Kelly’s comments that progress on missiles, conventional
forces and human rights could lead to full normalization, saying that normalization “seems to be new in terms of our diplomacy,” since in the past the North Korean regime has been considered “odious.”  Sec. Kelly responded that it was part of the Bold Approach devised in 2002, later adding “We did not say, Mr. Chairman, that every last part of the dismantlement of the nuclear program must be complete before there can be any progress on other measures. But it’s very important that we begin the progress and we see the commitment of the DPRK toward ending nuclear weapons . . . we need to start work on the nuclear program and then many other things can begin to happen.”

Libya:  Sen. Lugar mentioned that at the previous week’s hearing on Libya, the fact that five sanctions had been lifted, including the “liberation of a good number of business interests . . . And all of this was in a very, very short period of time following the cooperation, following 55,000 pounds of nuclear material and/or machines or plans to Oak Ridge, Tennessee. . . .”

Q & A with Senator Chuck Hagel:  [Because of the range of topics raised, I am including almost all of Sen. Hagel’s questions.]

Session I

Intelligence:  Sen. Hagel:  Hagel asked for an assessment of the intelligence on North Korea  Sec. Kelly:  Kelly said intelligence has improved over the last dozen years and is “pretty solid” now. Although North Korea is “a difficult target” since “it needs things from outside,” there are openings. Drugs and counterfeit currency transactions “provide opportunities and vulnerabilities.” Also, “The information we got in summer 2002 about uranium enrichment is an example [of how good the intelligence is.]”

Fuel rods:  Sen. Hagel:  Hagel asked for an update on the nuclear fuel rods, asking for “as much status as you can [give us] in an open hearing.”  Sec. Kelly:  Kelly said that “we don’t know what’s happened to the 8, 017 fuel rods,” but added that it is possible that more details could be filled in at a closed briefing.  Sen. Hagel:  Hagel asked about the level of U.S. concern.  Sec. Kelly:  Kelly responded that if the fuel rods have been reprocessed there would be enough plutonium to be turned into “a significant number of nuclear weapons,” and expressed commitment to working on the problem.

Nuclear weapons inventory:  Sen. Hagel:  Hagel asked what is known about North Korea’s nuclear weapon’s inventory.  Sec. Kelly:  Kelly referred to the possibility of one or two nuclear weapons based on earlier assessments and added that there has not been a new assessment based on “what may or may not have been reprocessed.”  Sen. Hagel:  Hagel pressed the issue, asking “if its likely or not likely that North Korea would possess more than two nuclear weapons” based on earlier assessments and uncertainties about the fuel rods and “other uncertainties.”  Sec. Kelly:  Responded that it “certainly a possibility... If it has not occurred, it is certainly has not been for lack of trying. It’s obvious that North Korea is trying to generate nuclear weapons in many ways and vigorously trying to develop them.”

North/South Relations:  Sen Hagel:  Hagel asked for Kelly’s “assessment of the dynamic between the South and the North,” and about South Korean views.  Sec. Kelly:  Kelly responded that the South Korean view is very different than ten years ago because now there is a “multiplicity of contacts, literally scores, if not hundreds of contacts,” including several ministerial level meetings annually.  He noted the transportation corridors, Kaesong development, etc.  However, South Korea “has made clear in so many words and actions that nuclear weapons in North Korea is not to be tolerated.”  While South Korea might wish “that somebody would take care of these guys. . . after
much discussion in this [South Korean] democracy, the ROK always does the right thing in my experience.”

**US/South Korean Relations: Sen. Hagel:** Hagel asked whether or not this South Korean government is as committed to the U.S. position as previous South Korean governments. [Remember, this was before the impeachment of Pres. Roh!]

**Sec. Kelly:** Kelly said that South Korea is completely committed to CVID, referred to a positive meeting between the new foreign minister and Bush, and the ROK commitment to send 3,000 troops to Iraq. He said, “This is an alliance that is working very well.”

**Sen. Hagel:** Hagel pressed him: “And so your answer is this administration in South Korea today is just as committed and in just as much alignment with U.S. policy toward North Korea as past South Korean governments?”

**Sec. Kelly:** “Yes, sir. In fact, I would say it’s possible they may even be more committed than perhaps some South Korean governments at some time have been.”

**Session II**

**Terrorism: Sen. Hagel:** Hagel asked about North Korea’s links to Al Quaida.

**Sec. Kelly:** Kelly started by saying “I’m not aware of any links of the DPRK to Al Quaida or, for that matter, other terrorist organizations.” He then referred to the “bad history” of the ’80s, adding, “there is not recent evidence of which I am aware of terrorist acts being directly supported by the DPRK” and said that the U.S. is willing to engage on this matter if progress is made on nuclear issues.


**Sec. Kelly:** Kelly responded, “I don’t think I know. And I don’t know that there are any Americans who know.” He went on to say that “by normal logic” North Korea would have already collapsed, but “It’s very hard to judge what the pressures, the internal pressures especially, may be on Mr. Kim Jong Il.”

**Food Crisis: Sen Hagel:** Hagel asked whether or not North Korea is facing a food crisis.

**Sec. Kelly:** Kelly said, “Yes, sir. The World Food Programme has made that very clear.” He then went on to discuss certain economic conditions, such as North Korea’s reliance on imported food, donor fatigue, etc.

**North Korean Economy: Sen. Hagel:** Hagel asked about prospects for change in the North’s economy.

**Sec. Kelly:** Kelly said that measures taken may not be “easily reversible” and that people in Pyongyang seem to be doing better, although information is scant.

**Missile proliferation, Iran and Iraq: Sen. Hagel** asked for more information about “production assistance to Iran and Iraq, more information on Pakistan, etc.”

**Sec. Kelly:** Kelly basically responded that not much could be said outside of a closed briefing, and Hagel said, “We’ll set that up.”

**Panel II**

**Mr. Terence Taylor, President and Executive Officer, International Institute for Strategic Studies**

Mr. Taylor’s testimony is not yet available on the web. His main points were as follows:

Taylor emphasized that because “absolute verification” is very challenging, “a genuine decision to
Taylor said that the following things need to be verified: plutonium-related activities prior to 1992, the status of the 8,017 fuel rods, decommissioning of Yongbyon and related facilities, removal or destruction of the 50-megawatt reactor and the 200-megawatt reactor, and the HEU program, including a full disclosure of exchanges between North Korea and Pakistan – including full disclosure from Pakistan itself -- and delivery systems.

Taylor outlined three oversight models: 1. The Libyan model, with the US taking the lead, and assistance from the IAEA and other countries; 2. A UN inspection commission and 3. “An oversight body drawn from the five countries most intimately concerned, the four neighbors and the United States, with the IAE as an integral part of the process.” He finds #3 “most appealing.”

He said that while “sequencing and coordination of the benefits and cooperation are the key to making it work,” that “given the poor track record on the part of North Korea” the disarmament and verification process should “be front-loaded” “before substantive rewards are given.”

Mr. Victor Cha
Associate Professor of Government, School of Foreign Service, Georgetown University

Since Dr. Cha’s full written testimony available on the web, I won’t include notes here.

Mr. Tom Malinowski, Advocacy Director, Human Rights Watch

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Q&A Excerpts
By the time Q&A took place for the second panel, only Senator Lugar was present.

1. Sen. Lugar, referring to Mr. Malinowski’s testimony, asked rhetorically why the U.S. wouldn’t “remove the regime and get on with it. . . Here are people that are suffering.” His answer: 1) 30,000 U.S. soldiers, 100,000 U.S. missionaries and business people in South Korea would be at risk. Furthermore, encouraging North Koreans to come to the U.S. is not working because China is reluctant to let North Koreans leave, and would prefer to contain the problem on the Korean Peninsula. He then asked each of the panelists to provide advice and counsel.

A: Mr. Taylor: Taylor recommended early demonstration of a commitment to disarm, and avoid a staged process. North Korea’s 17,000 artillery pieces make North Korea dramatically different from Libya, and require confidence building measures in a comprehensive agreement. Lugar asked whether or not in fact this would need to staged, and Taylor acknowledged this, but said it should not have multiple steps, and it should not be drawn out in 10 year process.
Dr. Cha: Cha responded with advice on how to manage the multilateral process: Japan should stay the course. South Korea should demonstrate “a willingness to show that there’s a red line with regard to the sunshine policy,” or the North Koreans will “muddle through.” China needs to be cognizant of the economic costs of North Korea becoming a full-fledged nuclear weapon’s state. North Korea needs to make a clear commitment.

Q: Sen. Lugar mentioned Malinowski’s testimony that hunger does not result in the collapse of totalitarian regimes and instead can strengthen a regime, saying that this is due in part to the North Korean regime’s lack of concern for loss of a significant portion of its population due to starvation. In this light, Lugar raised a question about the importance of economic success to North Korea.

Dr. Cha responded that “it’s absolutely true that regimes do not collapse as a result of famine” but North Korea “needs to bring economic goodies to make side payments to the military” to keep regime cohesion. However, revolutions occur not when things are at their absolute worst but when things begin to improve a little bit and expectations have been raised. Therefore reform in North Korea is a “delicate walk for them” because in the short run it may mean regime stability but in the long run it may mean collapse.

Mr. Malinowski: Mr. Malinowski said that the most important thing is no forced repatriation of North Koreans and keeping the border open. Next, focus on modest goals in order to open up the country, such as increased humanitarian aid workers. A “Helsinki-type agreement may be unreachable at this point.” Malinowski is “concerned about the investment in the economic aid,” especially “South Korean or Chinese companies going in as partners with the North Korean government in a situation where there’s even the prospect of slave labor.” Malinowski is not against normalization, because it would be helpful to have a diplomatic compound in Pyongyang in order to open the country up. He would make normalization an early incentive for North Korea, not at the end of the list.

Q: Sen. Lugar referred again to Nunn-Lugar, and the importance of having a plan for removal of fissile material, and how useful it was for the U.S. to take the material from Libya to Oak Ridge, Tennessee. He then asked Taylor whether or not the U.S. should “try to fashion some multi-lateral removal process in which we all verify what happens at the same time” and then divvy up the rest of the tasks. Taylor reiterated his earlier comments on multilateral approach, early commitment, etc.