

RECENT DEVELOPMENTS IN NORTH KOREA

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AND PACIFIC AFFAIRS
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C O N T E N T S

	Page
Campbell, Kurt M., PH.D., Deputy Assistant Secretary of Defense, Asian and Pacific Affairs	5
Prepared statement	6
Gallucci, Robert, Dean, School of Foreign Service, Georgetown University, Washington, D.C.	21
Kartman, Charles F., Special Envoy, Korean Peace Talks, Department of State	3

APPENDIX

Additional Questions for the Record Submitted by the Committee to Ambassador Kartman	29
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RECENT DEVELOPMENTS IN NORTH KOREA

THURSDAY, SEPTEMBER 10, 1998

U.S. SENATE SUBCOMMITTEE ON
EAST ASIAN AND PACIFIC AFFAIRS,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:08 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Craig Thomas, chairman of the subcommittee, presiding. Present: Senators Thomas, Kerry and Robb.

Senator THOMAS. I believe we will go ahead and begin. Thank you all for coming.

I have been chairman of this Subcommittee on East Asian and Pacific Affairs for almost 4 years now. During that time, the subcommittee has held more meetings on North Korea than any other single country, other than China. In fact, our last hearing was on North Korea.

In that time, I guess I could say that I continue to be amazed and concerned by the unpredictable and unbalanced nature of the regime in Pyongyang. Despite widespread starvation and disease, the government continues to adhere the very economic policies that have led to this condition in the first place. Despite worldwide repudiation of communism, the government continues to revolve around a Stalinist cult of personality, devoted to Kim Jong-il. Despite international norms and conventions, the DPRK continues to sell nuclear and conventional missile technology to rogue nations such as Iraq and Libya, in violation of the Nuclear Nonproliferation Treaty.

In spite of the terms of the agreed nuclear framework with the United States, there continues in North Korea to be developed a program aimed at producing nuclear materials, or at least that is apparently the case. Every month brings a new surprise. This month has been no exception. On the 31st of August, North Korea fired a two-stage missile through Japanese airspace. Although uncertain at first, I understand now that NASA believes the launch placed a satellite, albeit apparently a nonfunctional one, into orbit.

But it seems to me that there are additional motives for the launch. First, it was certainly to impress potential weapons buyers by forcefully announcing the availability of a new product. Second, it was meant to underscore the elevation of Kim Jong-il to his newest post and the celebration of the 50th anniversary of the founding of the DPRK. Finally, to up the ante on its outgoing Four Party Talks and the KEDO negotiations.

Whatever the intention, its effects on many in Congress, including myself, have been to undermine our already reticent support for the present negotiation process with the DPRK. I have been a supporter, although somewhat begrudging at times, of the Agreed Framework since its inception. The agreement was far from perfect, of course. I supported it because I believed it was an end to our own best interests and the best interests of East Asia. I supported it through its fits and starts—supported it when the North diverted oil deliveries to the military, and supported it when the North showed signs of restarting their nuclear program. I supported it because, on the whole, the North Korean movement forward in the Four Party Talks and cooperation in the nuclear area outweighed the North's traditional tendency to push the envelope with us.

When North Korea fired off its missile, however, and when our intelligence community revealed that the North has been engaged in both propulsion tests and construction of a large, underground facility, it makes it difficult to continue to have that kind of support. These acts should drive home the fact to us that the North's signature on bilateral and international weapons and nuclear agreements is little better than the paper it is printed on. It should also cause us to give serious consideration to examining alternative ways to dealing with the North, since the efficacy of our present system seems highly questionable.

I called this meeting today to examine the recent developments in Korea. I also called it because I, and I think others, have considerable reservations about our ability to deal with the proliferation crisis at this time. I will not surprise my colleagues when I say that the phrase "Clinton foreign policy" is an oxymoron. And this is not a partisan viewpoint. I have heard it shared by many of my Democrat colleagues. We are not showing the kind of well-planned, thoughtful leadership in East Asia that is required there.

The possible consequence of failing foreign policy in this case, though it is far more serious than the simply collapse of KEDO, would be the disastrous consequences for us and our allies in the entire East Asia region. I hope that we can be convinced that adherence to the present Agreed Framework and continued negotiations with the North continues to be in the best interest of the United States and of South Korea and our Japanese allies. Otherwise, as I mentioned on the floor of the Senate last week, support for this process will evaporate, and quite quickly, in the future.

So we welcome you here and we want to hear your comments.
Senator Robb.

Senator ROBB. Thank you, Mr. Chairman. If it is any consolation to you—you mentioned the fact that since you have chaired this committee for the last 4 years, you have held more hearings on North Korea—it occurred to me when I looked at Ambassador Gallucci, who will be on panel two, and remember the number of meetings that we had under a prior management agreement that was changed in 1994 with respect to chairing committees in the Senate and the House, but that we too had spent more time I believe on this particular topic in this particular country and the very serious problems that confront us than any other single country that I recall during that period.

And I would have to say that with respect to the support, although in some cases either reluctant or with some reservations, given some of the incidents that you have referred to, I have generally married your position in terms of support for the agreement, but I have had some very pointed questions.

Ambassador Gallucci was kind enough to smile and say, I hope that you will ask me some again today. I said I would take his name in vain a time or two when we were discussing the evolution of this particular Agreed Framework, et cetera. But the hearing today is certainly timely. The concerns that you have raised in your opening statement are extremely important, and I look forward to hearing from our witnesses.

Senator THOMAS. Thank you, sir.

We are pleased to have a distinguished panel this afternoon that is very knowledgeable. The Hon. Charles Kartman, Special Envoy to the Korean Peace Talks, Department of State. And I might add, he has been very much involved very recently in these talks. Dr. Kurt Campbell, the Deputy Assistant Secretary of Defense for East Asia and Pacific Affairs. Then, on our second panel, the Hon. Robert Gallucci, Dean of the School of Foreign Service at Georgetown, and former Ambassador in this area. So, Mr. Kartman, if you will begin, sir, please.

**STATEMENT OF CHARLES F. KARTMAN, SPECIAL ENVOY,
KOREAN PEACE TALKS, DEPARTMENT OF STATE**

Ambassador KARTMAN. Thank you very much, Mr. Chairman, Senator Robb.

Mr. Chairman, the last time I appeared before you was to seek confirmation as the U.S. Special Envoy for the Korean Peace Process. Subsequently, Secretary Albright also appointed me the U.S. Representative to the Korean Peninsula Energy Development Organization, which is more commonly known as KEDO.

I want to thank you again for your, and the committee's, support. I reiterate to you my intention to consult regularly with you as we proceed with North Korea.

It has been a busy month since I assumed my duties. As you know, I just returned from New York, following 2 weeks of quite intensive negotiations with the North Koreans. Those negotiations resulted in commitments from the DPRK to take a number of steps toward resolving key U.S. concerns about North Korea's suspect underground construction, its August 31 launch of a new, longer-range missile, and its implementation of the Agreed Framework.

Let me make clear that in these, as in past negotiations, the U.S. approach is one of seriousness with respect to the security risks at stake, coupled with deep skepticism. Let me also be clear, we do not trust North Korean intentions. It remains indisputable that North Korea represents a major threat to peace and stability, not only in Northeast Asia but also in other volatile areas of the world.

We have no illusions about our dealings with North Korea. There are no assured outcomes. But I must underscore the significance of the commitments we just obtained in New York. They will facilitate our ability to deal squarely with the issues of great and immediate concern: suspect underground construction and the North Korean missile program. It will also lead to the quick conclusion of the

spent fuel canning, thus dealing with an otherwise serious proliferation risk.

The understanding we have reached also will lead to a resumption of Four Party Talks in the near future. We made clear in New York that the North Koreans need to satisfy our concerns about the suspect construction in the DPRK. This is essential for the Agreed Framework. Reaching an agreement to deal with our concerns in this area is a top priority. And further talks on this issue, which we intend to continue in the coming weeks, will address the details of clarifying DPRK activities to our satisfaction. Clarification must include access to the site. We made it quite plain to the North Koreans that verbal assurances will not suffice.

During our recent talks, in close consultation with our South Korean and Japanese allies, we put the North's missile program and alleged nuclear activities front and center, insisting that the DPRK address U.S. concerns in these areas. As a result, North Korea has agreed to resume missile talks October 1. During these upcoming negotiations, we will seek to curtail North Korea's efforts to develop, deploy and sell long-range missiles.

But if there is anything more than dangerous than a long-range missile, it is a long-range missile with a nuclear warhead. That is why we sought and obtained in New York a North Korean commitment to resume by mid-September, and to complete quickly and without interruption, the canning of their remaining spent nuclear fuel. This will put an end to their threat of recent months to reprocess this spent fuel.

Finally, the North Koreans have agreed to convene a third round of Four Party Peace Talks by October. It is understood by all, including the North Koreans, that the participants must move on to practical business, such as tension reduction. We remain convinced that firm and steadfast use of available channels is the best way to achieve the results we seek with respect to North Korea. This is the basic approach we used in New York, and it is one that proved valuable during our negotiations of the Agreed Framework in Geneva.

While we are hopeful that the resumption of the various talks to which the North Koreans agreed in New York will result in concrete benefits, we also firmly believe that the Agreed Framework must continue to be the centerpiece of U.S. policy toward the DPRK for some time to come.

Though not perfect, the Agreed Framework is still the only viable alternative we have that has a chance to keep North Korea's nuclear activities in check as well as keep the North engaged on other matters. Without the Agreed Framework, North Korea would have produced a sizable arsenal of weapons-grade plutonium by now. We have prevented that for close to 4 years, and we are committed to ensuring that the DPRK's nuclear program remains frozen for the future. This is, without doubt, in the interest of the U.S. and our friends and allies in and beyond the region.

We are clearly better off with the North Korean nuclear facilities at Yongbyon frozen. To cite specifics, the nuclear facilities are under IAEA inspection. Pyongyang has agreed, as a result of this past round of negotiations, to can its remaining spent fuel. The DPRK is not reprocessing nuclear fuel. In other words, the compli-

ance record for the existing facilities is good, and a dangerous program at Yongbyon is frozen and under inspection. We have made it crystal clear to the North Koreans that we expect them to continue to live up to these obligations under the Agreed Framework.

In conclusion, what we seek in our present dealings with the DPRK is to avoid a return to the circumstances of 1993 and 1994, when tensions between North Korea, its neighbors, the United States, and the international community were dangerously high. We will continue to look for ways to reduce tensions on the Korean Peninsula. While also continuing to be firm and deliberate with the North. With the proper support, we can go a long way toward eliminating North Korea's ability to threaten its neighbors and to export that threat to other parts of the world.

There is no question that much depends on North Korean intentions. With the limited tools we have, I can assure you that we will press the North to take substantive steps to comply fully with its obligations, we will push to resolve questions about suspect under construction, and we will persist in our efforts to eliminate the destabilizing nature of the North's missile program, including testing, deployment and exports of missiles.

As we have explained on many occasions, however, this strategy will be best served if we honor our own commitments undertaken in the Agreed Framework, and specifically the provision of heavy fuel oil to the DPRK through KEDO.

Mr. Chairman, this administration has worked closely with this committee and the Congress as a partner in our broader policy toward the North, and will continue to do so. Together, along with our allies and friends, we can make a difference and do what we can to ensure that Koreans in both the North and South can live on a peaceful and secure Peninsula.

Thank you very much.

Senator THOMAS. Thank you, Ambassador. Dr. Campbell.

STATEMENT OF KURT M. CAMPBELL, PH.D., DEPUTY ASSISTANT SECRETARY OF DEFENSE, ASIAN AND PACIFIC AFFAIRS

Dr. CAMPBELL. Thank you very much, Chairman Thomas, Senator Robb. In the interest of time, let me just submit my full statement for the record and just give you a few thoughts, if I may. And then I would be happy to take your questions.

First of all, I would like to underscore that we at the Department of Defense stand by what Ambassador Kartman has just laid out. One of the benefits of the intensive deliberations and negotiations that have taken place, not just with the North Koreans, but with all the other countries in the region, has been that they have been undertaken with very close interagency cooperation. And Ambassador Kartman has worked very closely with my deputy and others in the interagency community to ensure that we have a very able team effort.

My statement lays out clearly, Mr. Chairman, the steps that the United States has taken, principally since 1994, to improve our security status and our capabilities on the Korean Peninsula. In fact, I do not think there is any other area in the world that we have put as much effort in terms of enhancing our deterrence. And that is based on one principal perception, at least from our perspective

at the Department of Defense. And that is that any hope, the hope of diplomacy, rests on the reality of our deterrence.

And our deterrence, Mr. Chairman, Senator Robb, on the Korean Peninsula, I can assure you is quite strong. Our capabilities there are very credible. And our partnership with the ROK and our closer consultations on security matters with others in the region has grown considerably in the last several years.

Let me just say that immediately after the missile test, Secretary Cohen asked me to go to the region. And what I thought I would do is just give you a few brief insights from close discussions in Beijing and Japan. In China, we met with senior officials both in the military, intelligence and the foreign policy community. We made very clear that we were grateful for previous support that China had given us. But we have also made it clear that now is the time to increase efforts behind the scenes directly with North Korea to ensure that North Korea comes back to the table in terms of the Four Party agreement, and ceases activities that are contrary to peace and stability, that are seen as provocative and undermining of confidence, such as the missile test.

In Japan, I must tell you very clearly that our Japanese allies and friends saw this missile test as a direct national security threat to Japan, a very, very serious matter. And I must tell you that the United States shares these concerns fully with our Japanese counterparts. Not only are we in close consultations with our Korean friends, I think as Chuck has indicated—the Korean Foreign Minister will be in Washington for meetings with Secretary Albright and other officials tomorrow—we are also in close consultations with others, particularly Japan.

Next week, in New York, the Minister for Foreign Affairs and Defense in Japan will meet with Secretary Albright and Secretary Cohen. At that meeting, for the first time, the United States and Japan will launch a dual, bilateral effort to enhance our cooperation on tactical missile defense systems, BMD cooperation. We think that will be an important sense of our commitment to ensure peace and stability. And being the most technologically sophisticated countries in the world, we have high confidence that our cooperation will bear fruit in this regard.

In addition, I think as you know, we have been involved over many years in terms of deriving what are called defense guidelines, which will enable the United States and Japan, working with Korea, to be able to respond to security challenges in the Asian-Pacific region. And our hope is to be able to move ahead with those, as well.

So let me just conclude that the period that we are in now, Mr. Chairman, is a very intense one. We are having probably the most serious, deliberate, around-the-clock deliberations with our allies and our interlocutors in North Korea in the recent period.

Thank you.

[The prepared statement of Dr. Campbell follows:]

PREPARED STATEMENT OF DR. KURT M. CAMPBELL

Mr. Chairman, Members of the Subcommittee, I welcome the opportunity to represent the Department of Defense in this hearing on US policy toward the Korean Peninsula.

I would begin my statement by emphasizing that in a time of uncertainty about the ultimate outcome of tensions on the Korean Peninsula, the 44-year old US alliance with the Republic of Korea serves as a bulwark against any forces that would seek to disturb the existing peace. The stability fostered by this close security relationship has benefited not only the US and South Korea, but has also permitted much of the Asia-Pacific region to pursue economic growth and democratic development.

In deterring aggression from an often unpredictable and highly-militarized North Korea, the US has helped create an environment in which Asian states could pursue a development course compatible with American values and beliefs. This is particularly true in the case of South Korea. As a result, the security alliance between the US and the Republic of Korea is more than a treaty commitment—it is a close, mutually-beneficial partnership built on a shared stake in democracy and free markets. Our alliance is an essential element of the strategy for achieving our longstanding security goal—a non-nuclear, democratic, and peacefully reunified Korean Peninsula. Even after the North Korean threat passes, the US will coordinate fully with the ROK to maintain a strong bilateral alliance in the interest of regional security.

The need for a combined US-ROK military command and force structure to protect our common values is more compelling than ever. Today the United States and South Korea confront twin security challenges on the Korean Peninsula—deterrence of armed conflict and preparation for crises short of war.

On the first challenge, North Korea's large conventional military forces continue to threaten the security of the Republic of Korea. Two-thirds of its 1.1 million military personnel are positioned within 100 kilometers of the Demilitarized Zone, with a substantial artillery force capable of striking Seoul with little advance notice. In addition, as North Korea demonstrated by its recent missile launch, it possesses missiles that not only range the entire Peninsula but reach far beyond it as well. The US and ROK continue to focus their security cooperation on deterring the use of this military capability, whether in an all-out attack on South Korea or in a more limited military provocation.

At the same time, deteriorating economic conditions within North Korea and a serious food shortage rooted in the structural failure of the North's agricultural management system raise questions about future developments in the North. In this setting, it would be irresponsible for the US and ROK not to consult closely and be prepared for a range of contingencies that could occur on the Korean Peninsula. The North Korean state and its security apparatus still exercise absolute control over their country and show no sign of loosening their grip. But the US and ROK cannot ignore the possibility, given the trajectory of North Korean domestic developments, that potentially destabilizing conditions could arise in the North in the form of famine, massive refugee flows, or other disturbing scenarios. The US and ROK would seek to address such situations in a way that was least disruptive to regional stability and to resolve them at the lowest level of tension possible.

Without a close defense alliance between the US and South Korea, we would not be able to respond effectively to these challenges to our security interests. It is also important in a time of transition and uncertainty that we give no signals to North Korea that the calculus of the US-ROK security relationship, which has served us so well, is changing. We will continue to strongly counter any perception in Pyongyang that it can drive a wedge between the US and ROK on security issues.

US-ROK combined forces are well-equipped and prepared to deter and, if necessary, defeat aggression. But maintaining capable and ready forces is a constant process. The US is engaged in ongoing efforts to modernize its Peninsular force of about 37,000 military personnel with the latest military equipment. These measures have been complemented by ROK efforts to outfit its military with the most modern tanks, armored personnel carriers, self-propelled howitzers, and fighter aircraft. The ROK commitment of resources to defense has been impressive, even during the current economic crisis. The ROK maintains 670,000 personnel in uniform and has pledged more than \$1 billion in cost-sharing support for US military forces on the Peninsula from 1996–1998.

Our security objectives in Korea have been greatly aided by diplomatic breakthroughs during the past several years. In particular, the engagement process begun by the US-DPRK Agreed Framework, which froze the North's nuclear program at Yongbyon and its destabilizing potential, has defused the most immediate source of tension and deflected what could have been a military confrontation with North Korea. With the agreement and our underlying security commitment, we have preserved stability on the Peninsula and created an opening to pursue the Four Party peace proposal and other issues of concern, such as missile proliferation and the recovery of Korean War remains. The Agreed Framework has also provided greater access to North Korea and some North-South contacts. At the same time, the Agreed

Framework has been under stress as a result of irresponsible and provocative North Korean acts. We are determined to address these concerns with the DPRK and ensure its full compliance with the agreement.

Permanent peace on the Peninsula will be accomplished only through diplomatic/political means, and the Agreed Framework and Four Party peace proposal begin that process by laying a groundwork for uncoerced reconciliation between South and North Korea. We must recognize, however, that these are only initial steps in a long and difficult course. Our desire for a long-term, stable peace on the Peninsula will not be realized overnight, but that reality does not diminish the value of current initiatives toward North Korea. The alternative could very well be direct conflict with the North, which would take a devastating toll in lives and resources. For this reason, it is important for the US to back the Agreed Framework, and the international consortium that implements its provisions, with the resources that will permit it to succeed.

Until North and South Korea find a peaceful solution to their differences, we remain committed to the terms of the 45-year old Armistice Agreement. The Armistice Agreement and its mechanisms must remain until an appropriate arrangement supersedes them. Only South and North Korea can resolve the division of Korea; therefore, replacement of the Armistice by an appropriate agreement can come about only through direct dialogue between South and North Korea. The US, while addressing near-term security concerns, has worked hard to promote such a dialogue.

Senator THOMAS. Thank you, Doctor.

We are joined by Senator Kerry. Before we have questions, Senator, would you have any remarks?

Senator KERRY. Mr. Chairman, thank you very much. I apologize for not being here. I was in Boston for the funeral of Kirk O'Donnell earlier. And unfortunately I just got a little backed up. And I apologize for that. But I am glad to be able to be here. And I would like to just make a brief statement, if I can.

First of all, I thank you and I commend you for once again turning the attention of this subcommittee to a timely hearing on North Korea. We have had a number of hearings, probably more than in other areas, as a subcommittee. And it underscores, I think, the importance of our focus on what is happening there, or what we believe to be happening there.

The Senate's overwhelming vote last week on the McCain amendment, which effectively cuts off funding for KEDO unless the President certifies that North Korea is not actively pursuing a nuclear capability, coupled with the adoption of the Hutchison amendment, which extends the certification to cover sales of ballistic missiles to terrorist countries—both of these steps by the Senate, which we shared and took part in, reflect the growing concern in Congress about North Korea's behavior on the nuclear front.

In the last month alone, we have learned that North Korea is building a secret underground complex, widely believed to be a nuclear facility, and that it is continuing to upgrade its ballistic missile capability, as evidenced by the launch of the previously referred to three-stage TAEPO DONG I missile toward Japan. These developments are obviously of huge concern to us, because they violate the spirit, if not the letter, of the Agreed Framework, and they raise very serious questions about North Korean intentions, as well as serious questions about the effectiveness of the Agreed Framework as the linchpin of our policy toward Pyongyang.

From its inception, let me underscore, the Agreed Framework had a somewhat limited set of objectives. It covered only the reactor at Yongbyon and related facilities, not every suspect site in North Korea. Moreover, it did not compel the North to accept coun-

trywide special IAEA inspections, those inspections obviously being crucial to answering the question of whether or not the North had been able to produce enough fissile material to make a nuclear bomb. And it did that until several years after the agreement was signed.

Despite this limited scope, however, the Agreed Framework has produced some positive results: capping the ability of the North to reprocess spent fuel with which to build nuclear weapons and vastly improving our ability to monitor the North's nuclear program—and, I might add, at very minimal costs to the taxpayer. But it has not accomplished its underlying strategic objective: namely, reducing tensions on the Peninsula and creating an incentive for North Korea to abandon altogether its nuclear ambitions.

So now, not unlike our choices with respect to Iraq, we have to make a decision as to how to best advance the fundamental strategic objective. Do we resuscitate the Agreed Framework, hoping that the North will get back on track, or do we now take a different approach?

If we abandon the agreement, we obviously ought to do it with a clearer understanding of what we may be losing in terms of capping North Korea's reprocessing of spent fuel and of intelligence-gathering. If, on the other hand, we come to the conclusion the Agreed Framework, even with its limitations, is worth retaining, it is critical that we and our allies, Japan and South Korea, follow through on our obligations under that agreement.

In our case, that means ensuring the delivery of heavy fuel oil for electric power generation; and, in the case of the South Koreans and Japanese, funding the construction of light water reactors to produce electricity by the year 2003. The North has already tried to mask its own bad behavior by charging that our commitment to the agreement is not serious, because deliveries of fuel oil have been delayed.

And I remember the hearing we had here, where a number of us underscored that it was vital to our foreign policy to be able to guarantee that the North could not make that charge, that it could not even have the privilege of suggesting that there was any rationale that could be laid on our inactions or reluctance to fulfill the agreement. And I think that comes home to roost to some degree now. That is not an excuse, nor does that pardon them from the accountability that we have to hold them to for their actions. But we need to avoid this kind of situation in the future if the Agreed Framework is to be sustained.

So I think we may be at a critical turning point in our policy toward North Korea. And I apologize for missing the openings, but I hope that our witnesses in the course of this hearing will shed both value and light on the utility of that framework at this point in time and what other options may be available to us if we conclude that it is insufficient for achieving our objectives on the Korean Peninsula.

Thank you, Mr. Chairman.

Senator THOMAS. Thank you, sir.

I want to go back in the questioning to the missile and what your feeling is there, but maybe even more timely, I have before me here a statement from the spokesman at the State Department in terms

of these talks. It says in the first paragraphs: Negotiators have obtained commitments from their North Korean counterparts on a range of major issues. Then, as you read down, the first one: has agreed to continue serious discussion. The second one: has agreed to resume missile talks. The third one: has agreed to Four Party Talks.

The fourth one—well, the point is it sounds like, then, these agreements which are lauded as being commitments are in fact decisions to talk further. Now we have been talking since 1953. And so you begin to wonder what does this really mean? What does this agreement amount to, more talks?

Ambassador Kartman?

Ambassador KARTMAN. Mr. Chairman, I want to first say that that thought occurred to me even as I was dealing with the North Koreans. And I did not want to come home with just an agreement that there would simply be talks. If we were to remove the various talks from this agreement, I think what we would have is a reaffirmation that we are going to live up to our obligations under the Agreed Framework and they are going to finish the canning of the spent fuel. And that, in and of itself, would not be such a bad situation to be in.

Because, going into the talks, they were threatening to take steps that would have clearly violated the Agreed Framework by reprocessing spent fuel. So that one problem has been avoided. On top of that, however, we have indeed won them back in a serious way at the table so that we can address other issues.

Now let me cite a few things. The missile talks, we are not at this point able to guarantee any outcome of the missile talks. But we all agree, we and our allies in the region, all agree that the North Korean missile program is dangerous and destabilizing. What are we going to do about it?

Well, we have got to confront them with this. And we have got to be at the table with them to do it. I think that simply denouncing them in the press is not going to change their missile program. We are going to have to get them to the table in order to confront them with this. So I do not want to devalue this step. After all, the missile talks themselves were something the North Koreans did not wish to return to for the past 2 years. They would not even come to the table.

Senator THOMAS. Well, I do not think anybody would argue that it is necessary to have talks. And that is a valuable step forward, particularly with a country like Korea. I guess the basic question, however, is, after years of this, of talking, and yet continuing to have what we think are breaches of what we talked about, do we continue to give them heavy oil? Do we continue to have light water reactors? Do we continue to send food? Do you continue to do all these things, and the talks go on, but the people do not do anything about what you have talked about in the talks?

Now, is that not the basic bottom line?

Ambassador KARTMAN. I think that is a very fair question. At some point we do have to evaluate results against the costs. I agree with that entirely.

My own view is that the Agreed Framework still has very clear value to the American people, in that we have frozen facilities at

Yongbyon that would be, by themselves, extraordinarily dangerous for the entire region. If Yongbyon were in full operation, the DPRK would have already reprocessed the 8,000 rods of spent fuel that are there. They would have reloaded that reactor not once, but several times, and reprocessed those loads. We would have had tens of weapons' worth of plutonium in North Korean hands. We do not have that situation. And so I think that that is something that, for now, is a good result.

Senator THOMAS. I am sure. However, I think even though obviously this was not a treaty and did not require congressional approval, at least in there was the notion that the North Koreans would halt operations in infrastructure of its nuclear program. Are we assured that has happened? I do not think so.

Ambassador KARTMAN. This is the present problem that we must resolve. I think we have understood quite clearly that the Agreed Framework is not going to be able to operate while there are serious concerns about what may be a facility that would be in violation of the Agreed Framework. This is going to have to be resolved.

If it is not resolved, I think we will be back here telling you what the next steps are. However, the first step is to resolve this.

Dr. CAMPBELL. Mr. Chairman, can I add one point to that, if I may, please?

Senator THOMAS. Sure.

Dr. CAMPBELL. It is an extremely fair question to ask yourself: What have we bought with this agreement since 1994? And I think actually to answer that question appropriately, you have to look not just, as Ambassador Kartman has, in terms of the actual specifics of the Agreed Framework, but what has transpired in the region, as well. And I just want to underscore that very quickly.

First of all, our capabilities on the Korean Peninsula since 1994 have grown considerably, number one. Second, our policy coordination now, which is very important, between the United States and the ROK is probably better than it has been at any time, in terms of our relationship.

Senator THOMAS. Our what?

Dr. CAMPBELL. Our policy coordination, the ability to work with the Koreans, the South Koreans, is better than it has been since the Korean War. And our ability to cooperate among the three nations, the United States, Japan and Korea, about possible situations in North Korea has grown considerably.

At the same time, since 1994, North Korean economic performance, North Korean economic capabilities have declined precipitously. And indeed, we believe that large segments of their population are going without enough food. And so when you look at this agreement, on balance, there are other things that you have to take into consideration in terms of the surrounding region and the position of the United States, which I would argue, since 1994, has increased significantly.

Senator THOMAS. I guess in my final question—and I am sure there is no answer—we have an army there, a division or whatever, 37,000 men and women, we are stronger, our relationships are better with the ROK, but North Korea continues to do these things. So, do you all say to yourself, OK, so you have got your muscles there, you are tougher than anybody else, but you are not

doing anything about it? They are continuing to sort of thumb their nose at you. How do you respond to that?

Dr. CAMPBELL. Again, I would depict the benefits associated with the Agreed Framework in a slightly more subtle way. And I look at it in terms of our ultimate capabilities, in terms of what we would do if in fact we faced a situation where the use of force was imminent or necessary on the Korean Peninsula. We are in a much better situation today, Mr. Chairman, than we were 5 years ago. We will be probably, I would argue, in a better situation as the situation develops on the Korean Peninsula.

Senator THOMAS. With their submarines and missiles and so on, they apparently are not very concerned that you are going to use that force.

Dr. CAMPBELL. I think, as we have stated, each time the North Koreans have undertaken one of these reconnaissance or insurgent campaigns in South Korea, we have made very clear that these steps are provocative, they undermine confidence, they are a threat to South Korea's well-being. We believe that our ability to cooperate with South Korea on these challenges has increased as a consequence.

Ultimately, on balance, as you face a choice between diplomacy and war—and in fact, I think in some respects when you trace a lot of these policy decisions down to their root, when you find yourself in that determination, I would, on balance, suggest to you that where we are today, that the best course is to continue this diplomatic course of action for the time being.

Senator THOMAS. Senator Kerry.

Senator KERRY. Thank you, Mr. Chairman.

Help me work through sort of the balance of the options that we have. In your testimony you suggest, Mr. Kartman—you do not suggest, let me just read it—you say point blank that what we seek in our present dealings is to avoid a return to the circumstances of 1993–1994, when tensions between North Korea, its neighbors, the United States, and the international community were dangerously high. We will continue to look for ways to reduce the tensions.

You then, prior to that, said: We also firmly believe that the Agreed Framework must continue to be the centerpiece of U.S. policy toward the DPRK for some time to come. Given the limitations that I described in the Agreed Framework and the intentions that Senator Thomas and others have obviously raised as a concern, what do you have, if you have the Agreed Framework as the centerpiece of our policy. We are delivering oil, our allies help build a light reactor, but the North Koreans do not allow access to the underground construction or other suspect sites, and the missile program essentially continues, so that you have both the capacity for a clandestine development of fissile material and the delivery capacity going on side by side? How does that balance?

Ambassador KARTMAN. I would not even try to defend, Senator Kerry, a clandestine nuclear program in North Korea. What we must do is satisfy ourselves that whatever their original intentions may have been with respect to the site in question, that it is not going to become a nuclear facility.

Senator KERRY. Why then not shift the focus, the centerpiece of your policy? If the centerpiece of your policy continues something that is so limited, don't you need a new centerpiece?

Ambassador KARTMAN. I think I understand the question. What I am trying to say is that if there is a clandestine facility to be and we seek to stop it, that would be consistent with the Agreed Framework because the Agreed Framework prohibits such facilities. I am not trying to split hairs with you.

Senator KERRY. No, I understand. I follow you. Then, as you go through the talk process, when does the talk begin to be exhausted and the prospect of a heavier hand come in, and what heavier hand should be played? If you could lay out some options, I would appreciate it.

Ambassador KARTMAN. Well, the first principle, as we try to sort this out—and we are trying to do this with you. This is not just us sitting in some room somewhere; this is a tough problem—the first principle is that we have two allies in the region whose security is directly affected by how we handle it. And so if we were to take this right up to the brink of war, first we would have to deal with the impact of that crisis on their own societies and their economies, and potentially, the impact of the war on their livelihoods and population.

The ROK especially, which has a capital that is within striking distance of long-range artillery and SCUD missiles, would be a potential target of North Korean chemical warheads. Estimates of casualties are enormous. I do not want to pretend to be the military expert on this panel, but I think that as we proceed with our North Korea policy, it should continue to be a fundamental principle of ours that we do so in tandem with our allies whose support would be absolutely essential should we ever get to the point that might involve the use of military force. The ROK and Japan are both with us completely each step of the way. That is a principle.

Now, when we start to talk about options, it is fair to say that they have a somewhat different reaction to the possibility of the outbreak of war on the Korean Peninsula than we do. They are, of course, highly supportive of the costly maintenance of U.S. forces in the region to deter any potential conflict. And, under the circumstances that are clear and unambiguously a North Korean aggression, it is very clear that our alliance is going to be rock solid.

However, in pushing something like this, the question of non-proliferation or missile proliferation up to the brink, then it gets more complicated. I am not trying to speak for them here; I am just saying it is a more complicated problem.

Senator KERRY. Is there any critical time line for inspection by which we must achieve access, in your judgment?

Ambassador KARTMAN. There are two different ways of looking at that. I am not sure that this is the right venue in which to get into the kinds of intelligence judgments that would be necessary. However, one way of establishing criticality would be to estimate when nuclear facilities might actually become operational.

However, another way—and it is the way that we are operating under—is at what point would North Korea actually have potentially violated the Agreed Framework. At which point we would no

longer want to come to you and seek your help in funding heavy fuel oil.

Senator KERRY. Can you state to us with respect to your policy priorities where you put the issue of access and inspection of the suspect sites?

Ambassador KARTMAN. What I consider to be common sense is that, first of all, we are going to have to be fully satisfied with respect to what is going on at that site. Second, since there is no trust involved here, North Korea cannot simply assure us that it is innocent. Something more than that will be required.

Now, we have discussed already and have made it very clear to them that what we have in mind is access to that site. I am not going to suggest that they have agreed to unfettered access at this point. There is a long and complicated negotiation ahead that will deal with the terms and conditions of providing that access. After all, the kind of access that would be best would be a complete right to go where we want to go without restriction. But that kind of right does not come without fighting a war first. And even then you do not get to assert it.

Senator KERRY. Thank you, Mr. Chairman.

Senator THOMAS. Senator Robb.

Senator ROBB. Thank you.

That reminds me that we had a hearing here yesterday about the question of access after fighting a war. And it remains one of the most contentious issues that we have to deal with. And I recognize that this is the subject of future negotiation, and you would not want to put all of your bottom-line cards on the table, and saying, this is our position and we are not going to negotiate. But is it fair to assume that the question of access would be an absolute prerequisite or some other condition of certifiability, however we get into that particular maze that we sometimes enter, in terms of going forward at some point?

Again, I will not ask you for the precise timeframe, but can we assume that without some satisfactory, reliable, certifiable means of assessing the situation, that this would, in effect, be regarded as, by itself, a full breach of the Agreed Framework?

Ambassador KARTMAN. Senator Robb, I have already made it plain to the North Koreans that access is going to be a prerequisite for a solution. And without a solution, then we are headed toward the question of the existence of the Agreed Framework.

Senator ROBB. What in your judgment would be the consequences of a breach in the Agreed Framework, acknowledging at this point that we have an obligation to provide 500 metric tons of heavy fuel oil and we have only provided I think 152, if the current math is correct—whatever? In any event, we are in less than full compliance on our end at this point. And many would want to negotiate or renegotiate that particular point. And maybe Ambassador Gallucci will have more to say about that in a few minutes.

But, in any event, if either side were to be regarded by the other as being in clear breach or violation of the agreement, what do you believe the near-term consequences would be in terms of what kind of changes take place in the dynamics at the time that acknowledged breach occurs?

Ambassador KARTMAN. It is probably a dangerous thing to get myself too far out in the guessing game here.

Senator ROBB. A dangerous thing to come even here to testify, in most cases.

Ambassador KARTMAN. Indeed. But some of these things are probably higher probability than others.

Senator ROBB. That is what I am asking you to deal with.

Ambassador KARTMAN. The North Koreans have threatened over and over again, with increasing stridency and I would say conviction, that if we do not meet our obligations in delivering heavy fuel oil, that they would then move on to conduct some reprocessing.

Now, I believe that they are calculating that some reprocessing would still not kill off the Agreed Framework. We have done everything we can to convince them that there is no such thing in our minds as some reprocessing. It is prohibited by the Agreed Framework, and it does not say some, a little, a lot, or anything of the sort.

So, I think that the North Koreans would have to go on to carry through with their threat. They would take the uncanned spent fuel rods as a starting point and reprocess those. We would then react by cutting off heavy fuel oil, et cetera. And our activities under the Agreed Framework surely would stop. And then I think that the next thing that they would do in their search to find new leverage, new pressure points, would be that they would probably then find other ways to lessen their own performance in the Agreed Framework.

And one of the things that I think would be an early victim would be IAEA monitoring of the freeze. So they might not even actually break the freeze, but they would break our ability to be sure that things were frozen.

Senator ROBB. Well, if I recall, if I may interject for just a moment, when it was originally negotiated—and, again, I am attempting to paraphrase, if not quote, Ambassador Gallucci—it was designed in such a way that each step would be verifiable and independent and it would not rely on the good faith or trust of any one involved. And if you are suggesting that it would simply bring about a cessation in terms of forward progress rather than a complete collapse of the Agreed Framework, then I understand your answer.

Ambassador KARTMAN. No. What I was actually trying to lay out, and I will try to be quite clear on this, is that my prediction of the probabilities is that we would have a series of escalating steps that would result in the complete collapse of the Agreed Framework and the reopening ultimately of the facility at Yongbyon, the reloading of the reactor, the reprocessing of the present spent fuel, and the rapid continuation of the entire program at Yongbyon. So that there would be a new stockpile of plutonium at Yongbyon, weapons-usable plutonium.

Senator ROBB. I would like to go back to the question of alternative sources of weapons-grade or weapons-usable plutonium for just a minute. But before we depart from the heavy fuel oil part of the agreement which the United States is obliged to fulfill, acknowledging that we are short 340,000–350,000 metric tons at this point, when do you think, given all that you know about the cir-

cumstances including the mood in Congress, when do you think that will be accomplished and how do you think it will be paid for?

Ambassador KARTMAN. We have been working very closely with the Congress—I believe you are quite aware of the details of that—to take money that we have set aside in the State Department budget to finish out the 1998 obligation. It remains to be seen what the Congress will do with fiscal year 1999 KEDO expenditures, but we have been in very intense consultations with the Congress on finishing out 1998. And I think that is my immediate target.

Senator ROBB. So, in other words, you believe at this point you have both the resources and the authority to fulfill the current year's requirement for delivery of heavy fuel oil?

Ambassador KARTMAN. Yes. We have set aside this money. We have been engaged in these consultations. The President and the Secretary have the necessary authorities. And we are working very closely with the Congress to carry this out.

Senator ROBB. Thank you.

My time has expired. Thank you, Mr. Chairman.

Senator THOMAS. Thank you.

Notwithstanding, the Secretary of State told the Congress it would never be more than \$30 million a year?

Ambassador KARTMAN. I believe that then-Secretary Warren Christopher's words were that he expected that it would be in that range. However, Mr. Chairman, I think this is a fair point to raise, and I would like to just note that the range of costs for heavy fuel oil have not varied too much. There has been a little bit of growth in the annual costs of heavy fuel oil for reasons of the market.

Senator THOMAS. Fuel oil prices are about at the lowest they have been in history.

Ambassador KARTMAN. But we have not had access to the lowest possible rates.

But that notwithstanding, the price of HFO, heavy fuel oil, has not really been affected terribly much. However, where we have fallen short is that the support of other countries for this effort has not met Secretary Christopher's expectations that he was relaying to the Congress when he first testified on this subject.

We thought that we would be funding roughly one-half of the total fuel oil bill. It looks instead as though we will end up funding roughly two-thirds of that total fuel bill.

Senator THOMAS. The most difficult one may be Japan's reluctance now to put the \$3 billion or \$4 billion that they were committed to. They have indicated that a second launch would be totally unacceptable. What does that mean?

Ambassador KARTMAN. Well, of course I will have to let the Government of Japan to speak for itself.

Senator THOMAS. I suspect you have inquired, however, have you not?

Ambassador KARTMAN. We have been in very close touch with them all through the weekend and last week. In fact, Secretary Albright has spoken with their Foreign Minister on two occasions in that period on the telephone, and will be seeing him again very shortly.

They have reaffirmed to us that their obligation to the Agreed Framework and to KEDO, which is about \$1 billion, is still quite

firm. What has occurred and what we completely understand and completely respect is that they have an appropriation process just like ours; that at the very moment of a missile test, this is not the time to go to their parliament, the Diet, and seek this \$1 billion. And so we defer to them in their judgment about what is the right political timing and the right circumstances in which to do that. But they have reaffirmed to us that their commitment is still absolutely firm.

Senator THOMAS. It seems to me that overall in this discussion about the framework and so on is the real question of whether or not the framework is an overall policy with respect to North Korea or whether it is sort of peripheral thing having to do with energy and having to do with replacing the light water reactor, something they were generating otherwise. But is it considered to be in Defense, is it considered to be in the State Department, is this our policy? Or is this a segment dealing with one portion?

For instance, this one certainly has not completed. Part of it was to open up all kinds of trade agreements and reduce trade barriers and have all kinds of credit cards being used. None of that has happened as far as I know.

I guess my basic question is, is the framework agreement our basic policy or is that a policy here when there is a need for a broader policy for the whole operation?

Ambassador KARTMAN. Mr. Chairman, I believe, and I know that Secretary Albright believes, that the framework agreement is not the sum total of what we want to achieve. It is a necessary starting point. Without getting some handle on their production of fissile material, we could go nowhere. And so the Agreed Framework provides us with the platform on which to proceed down some other paths. Unfortunately, despite having opened up several doors to the North Koreans, they have not yet walked through. We are as disturbed by that as you are. But, we believe that when dealing with North Korea and in recognition of our allies' equities, which are so substantial, that both firmness and patience are called for.

Senator THOMAS. Dr. Campbell, when this missile went off a few days ago, at least in the press the State Department was surprised. The Defense Department said they were not; they knew it was going to happen. I do not understand that.

Dr. CAMPBELL. I frankly am not aware of a statement from the State Department saying that they were surprised.

Senator THOMAS. The Secretary of State was quoted as saying that. Now I guess that does not mean she said it necessarily.

Dr. CAMPBELL. Well, let me say that I do not want to parse the words of the Secretary of State. I think what she might have meant—and I would leave this to Ambassador Kartman—is that she is surprised by the fact that North Korea would do this thing. However, I am not so sure—and I think as you were briefed, as well, Mr. Chairman—we followed the preparations of that event about as closely—

Senator THOMAS. We were not surprised at a staged missile?

Dr. CAMPBELL. Absolutely not. Yes, I mean I can tell you, and I think as you know, we every day looked at pictures of this launching site. I do not want to reveal—in another setting we can go into it.

Senator THOMAS. Have you ever found the satellite?

Dr. CAMPBELL. Let me just say that the intelligence community is meeting as we speak, actually to prepare a briefing for your committee tomorrow, about what we think we know about the event. And what you reported at the start of this hearing about NASA's finding some small body in space, we do not have that information yet. In fact, what we have is an assessment from our intelligence community that the event is still under very close scrutiny.

What we do know—and this is what is important—is that this is a sophisticated, multistage, medium-range ballistic missile. It is quite sophisticated. It can carry a payload. And it has very real security implications for the region.

Now, whether it is a satellite or whether it was a missile test is an additional question. But what we know so far is enough for us to be very concerned.

Senator THOMAS. You did not hear the song on the airwaves?

Dr. CAMPBELL. I have not. My radio in the car does not pick up the patriotic hymns that are apparently being beamed from the—I think it is 47 megahertz.

Senator THOMAS. We are going to have to get you a high-tech radio.

Dr. CAMPBELL. Yes, that is correct. [Laughter.]

Ambassador KARTMAN. Mr. Chairman, may I make one addition?

I was in regular and frequent contact with Secretary Albright while I was negotiating with the North Koreans, even though she was traveling at the time. And I am afraid that this is somewhat my fault, because I had reported that we had—being aware that there were some preparations for a test going on, we had warned the North Korean side not to do this. We had raised it very strongly with them. The North Korean side, the negotiators, indicated that they had heard our message and had sent back something and had understood themselves that their message had had some impact. That proved to be incorrect. But they had indeed misled us into thinking that they had heard our concerns and reacted to them.

Needless to say, when we heard about the missile test, we stalked in there outraged, condemned it, and there were some immediate consequences.

Senator THOMAS. So you may have been surprised that they did it, but you were not surprised that they had the capacity to do it?

Ambassador KARTMAN. Exactly.

Dr. CAMPBELL. Mr. Chairman, can I also make one other point? And I just beg a quick indulgence here.

When you ask about whether about whether the Agreed Framework is the centerpiece of all we are doing in North Korea, that really is not the case. We are involved—if you recall, last year, you had a very important hearing in which you asked: Are there security implications for the profound economic and humanitarian crises that we are facing in North Korea? And of course the answer to that is a very firm possibly.

And so one of the things that we are doing—our traditional challenge from North Korea is deterrence, all right, of a kind that, you know, we worry about millions of people rolling over the DMZ, the kinds of threats Ambassador Kartman is talking about, chemical

weapons, SCUD's, and long-range artillery. But let us also recognize that we face other potential kinds of challenges, security challenges—a humanitarian crisis, instability.

So, simultaneously, while we are working obviously this very open and very public diplomatic line, we are also involved in a wide variety of policy efforts not just with North Korea but with China, with Japan and with Korea, which we believe ultimately and fundamentally improves our situation in the Asia-Pacific region.

Senator THOMAS. Thank you.

Senator Robb.

Senator ROBB. Very briefly, on the question of the alignment between ourselves, the ROK, and Japan on the Agreed Framework, and our discussions, the Four Party Talks, that have at various times been regarded as possible avenues to more progress, could you characterize where those things stand generally? I am not sure that the message that I received from representatives of those governments in Washington and/or foreign ministers and others—and we will have an opportunity to get a direct message here in about an hour and a half from one of those representatives—but I am not sure that I am as sanguine about the complete uniformity of current thinking as I would like to be.

Ambassador KARTMAN. Well, what I can say is that we are in awfully close touch with both of those governments. It is pretty clear that the missile test in particular has jarred regional capitals, and they are now taking a look at what this means for their own security. And that is an important dimension that we take very seriously also.

Senator ROBB. But even before the missile test—and I assume that there was an exchange, so that they were not unaware of the fact that such a test might take place, and I will just leave it at that in this forum—I detected some hesitancy about the firmness of the commitment to the billion dollars of the Agreed Framework from time to time and/or some hesitancy at least based on lack of additional guarantees and participation in terms of wherewithal by the United States. Would you comment on that?

Ambassador KARTMAN. Well, I think you will find plenty of doubts in Seoul and Tokyo about the wisdom of spending these large sums of money to build reactors in North Korea. They have exactly the same debates that we have. And so I do not want to suggest that there is a uniform point of view in those countries. It is a very healthy debate.

That said, the governments are completely committed to the provision of these large sums of money to this project. Now, those sums are from the ROK, 70 percent of the cost of building the light water reactors, and from Japan it is \$1 billion. They do have to go through an appropriations process in both countries. They are both democracies. And we are going to hear elements of this debate played out as they process. But in my own mind I do not have doubts about the firmness of their commitments to this agreement.

Senator ROBB. What has been the impact of the ceremonies that took place in Pyongyang yesterday or the day before—I have forgotten now in terms of the passage of time—as well as the most recent submarine incident, et cetera? Have those events or even the fact that Kim Jong-il did not assume the title that his father, the Great

Leader, had had—do any of those things, for those who like to engage in over-analysis or psycho-babble, does that have any relevance that you would want to comment on publicly?

Ambassador KARTMAN. Well, these are issues that are followed much more closely in South Korea, of course. There is a great body of expertise there. And their Foreign Minister happens to be in town, and we are getting the benefit of some of their thinking right now while he is here.

A couple of points, although this is very early and so this is quite preliminary as an analysis. However, I think you would probably find in my own remarks at one time or another, I predicted that Kim Jong-il was going to take the title of President. So, confounding me and other Americans, he has done something different. He has become the Chairman of something called the National Defense Commission.

And as we look at the lineup of the current leadership in North Korea, there is a disturbingly military cast to it. In fact, I think that the South Korea Foreign Minister would tell you that they see this as a growing dominance by the military over North Korean decisionmaking, notwithstanding the fact that there is only one source of real decisions there, and that is Kim Jong-il. So I do not take this as a very encouraging sign at all.

Senator ROBB. Could I just ask one more question?

Do we have any expectation that there will be an official exchange between a representative of the U.S. Government and Kim Jong-il at any time in the near term, or that he will appear outside of a heavily secured military installation to deliver any message to the North Korean people?

Ambassador KARTMAN. He has not been a maker of speeches in the past. And of course he has had 30 years of public life as a senior personage, and now leader. He tends to deliver short exhortations, but not speeches. He has not been someone who has been a very person-to-person sort of leader, but rather a symbolic figure almost.

So, no, there is no sign that he is going to change his style at this late point. Nor are there any indications of his intentions to travel outside the country. He does travel within the country. And that travel does include some non-military facilities, although those visits are fewer in number than his visits to military facilities.

And we have no expectation of having any American official meet with him, although it has been tried on various occasions.

Senator ROBB. Dr. Campbell?

Dr. CAMPBELL. Senator Robb, everything that Ambassador Kartman says about these developments this week we would agree with. It looks as if they have retired the jersey of the Office of the President, and he will assume the—

Senator ROBB. It has been bronzed.

Dr. CAMPBELL. Yes. He has assumed these new responsibilities of this group that we know actually quite little about.

The other thing, however, that is important to underscore is that not only does it appear that Kim Jong-il relies increasingly on the military for his advice and for sort of decisionmaking authority, not just perhaps on foreign policy, but domestic policy—we know that the military is more involved in picking crops and other aspects of

making what is still working in North Korea work—but it is also true that over the last 3 years he has managed to replace all those—or most of those older generals and marshalls that were put there by his father. And so all these guys that are now in senior positions of authority, at least on paper, owe their patronage to him.

And so I just want to underscore that of all the developments that we have seen, all right, in the last week and a half to 2 weeks, the ones that we are most concerned about publicly and the ones that we are talking about, this uncertain facility that we want to explore, the missile tests, I will tell you that privately the one that I am perhaps most worried about is a potential change in the way that decisions are taken in North Korea that highlights military perspectives more than others.

Senator ROBB. So the one silver lining is there is expected stability at this point, if not progress. Thank you.

Thank you, Mr. Chairman.

Senator THOMAS. Thank you, gentlemen. I appreciate it very much. I appreciate your coming.

Ambassador Gallucci, if you will, sir.

You can go right ahead whenever you are ready. I am impressed with your Western footwear. [Laughter.]

STATEMENT OF ROBERT GALLUCCI, DEAN, SCHOOL OF FOREIGN SERVICE, GEORGETOWN UNIVERSITY, WASHINGTON, D.C.

Ambassador GALLUCCI. Mr. Chairman, the weather has changed and I thought I would reflect that.

Mr. Chairman, thank you once again for giving me this opportunity to come before the subcommittee.

I will try to be brief in comments so we can have some discussion. I think I want to make three sets of points. One, I would say again what the purposes for the Agreed Framework were when we negotiated them; two, something about what the performance has been with respect to those purposes; and, three, my own thoughts on where we go from here.

First, with respect to the purposes of the Agreed Framework, I recollect that we had three, one primary and 2 secondary. The primary purpose of the Agreed Framework was to stop the nuclear weapons program in North Korea. That meant, first, making sure that the spent fuel that contained 30 kilograms of plutonium was not reprocessed; it was recanned and stored until it could be shipped out of the country; that the research reactor was not started up again; that the two production reactors, the 50-megawatt and the 200-megawatt reactors, were not completed; and that the reprocessing plant was shut down.

In other words, so that they did not proceed with the program that we estimated, within 3 to 5 years, about now, would be producing on the order of 150 kilograms of plutonium a year, enough for maybe 30 nuclear weapons. That is what we wanted to stop. That was the primary purpose of the Agreed Framework.

The secondary purposes I think were, first, to promote a dialog between North and South. And that turned out to be manifest in our initiative with the ROK, the Four Party Talks, essentially to

reduce tensions on the Peninsula and improve generally the security situation in Northeast Asia. And there is language in the Agreed Framework about that.

The second secondary purpose was to address—and this is language from the Agreed Framework by my recollection—other issues of concern. These other issues are not mentioned in the Agreed Framework, but we told the North Koreans what they were. First, their ballistic missile program. Second, their ballistic missile export program.

Third, the forward deployment of their conventional forces. And also return of remains from the Korean War. And we had some other concerns. But these were not mentioned in the Agreed Framework. There was a linkage between these other issues of concern and improvement of relations between the DPRK and the USA. The normalization of relations was linked to their willingness to address these other issues. Those were the purposes; now for the performance.

With respect to the nuclear weapons program, it seems to me, from what I know, that the nuclear weapons program that we were aware of has essentially been in arrest, as we have said, cryogenic arrest. It is frozen. And it is frozen under inspection, parts by the United States, because we have been active in the canning of the spent fuel, and by the IAEA. The ultimate dismantlement of that program would take place over time as the elements of the Agreed Framework were played out.

Two issues have arisen with respect to the primary purpose. The first had to do with the few fuel elements that the North Koreans threatened to reprocess. Materially, in terms of plutonium, not particularly significant, but in principle very important. That, I now understand from what has been said by Ambassador Kartman, is going to be addressed. The North Koreans will permit the final re-canning of these elements.

The other issue that has arisen has to do with the other site, the cavern, the underground site. With respect to that—and this is maybe the most important point—I recall when I came before you, Mr. Chairman, some years ago first presenting this, I was asked before this subcommittee and elsewhere in the Congress whether I could guarantee that there were not other facilities in North Korea. And I said, of course not; that I had had the opportunity to lead inspections in Iraq for UNSCOM and we had uncovered about 90 percent of the nuclear weapons program that we did not know about through all our intelligence assets—that was one data point.

A second was that we knew of one country on earth that was particularly good at digging holes and tunnels, and that was North Korea. And if we put those two data points together, one should not be in a position of saying, I guarantee there will be no secret facilities. What we can say is the ones we know about, we will be able to verify with respect to the provisions of the Agreed Framework. But we will have to be vigilant.

OK, we have been vigilant and we have found something apparently. My own view is that if North Korea has a secret nuclear program, it would clearly not be consistent either with the letter, or with the spirit, of the Agreed Framework—there is a confidential

minute, which you have access to, Mr. Chairman, and that I think would speak to this. Moreover, it would certainly not be consistent with the Nonproliferation Treaty, and they are still adherents to that Treaty. If there is such a nuclear facility and they are pursuing a secret nuclear weapons program, it would remove the incentive of the United States, South Korea and Japan to participate in the Agreed Framework.

Let me be as clear as I can. It would seem to me that if there was a secret nuclear weapons program, either that program would end, the issue would be resolved, or the Agreed Framework becomes or should become a dead letter.

With respect to the other two issues, the North-South dialog, we have had some Four Party Talks. We have had some contacts between North and South, but they have not resulted in the kind of reduction in tensions that we had hoped for—even with the Republic of Korea adopting its sunshine policy.

With respect to other issues of concern, the performance has been even worse. I refer first to the ballistic missile test. And I do not only mean the recent test of a multistage missile, a portion of which overflew the main island of Japan, but I mean the ballistic missile test in South Asia by Pakistan and the ballistic missile test in the Middle East by Iran, neither of which would have been possible without the assistance of North Korea. So this has been perfectly dreadful in terms of performance.

The issue, then, at this point is what should we do. It seems to me that we should go back to the purposes again and then look at alternatives—the purposes of the Agreed Framework. If the Agreed Framework is serving to prevent a nuclear weapons program in North Korea, it ought to be preserved. If it is not, it should not be. And that issue needs to be resolved.

Second, with respect to the ballistic missile program and the Four Party Talks, it seems to me that we have laid a groundwork for addressing these issues, we have had some talks with respect to ballistic missiles, and we ought to continue with diplomacy and negotiations, and we should continue to link their performance or lack of performance with what we do with respect to normalizing our relations with North Korea.

As I say this, I also note that it is irksome, it is irritating in the extreme, and it is certainly politically difficult to deliver heavy fuel oil on schedule, even to provide humanitarian assistance, while the North Koreans are providing ballistic missiles to countries in other regions and destabilizing them. But I would suggest that if we give in to the perfectly natural political urge not to speak to North Korea and not to continue with the Agreed Framework, if we try to link North Korean performance to ballistic missile performance or to other non-nuclear issues—in other words, if we try to unilaterally change the understanding of the Agreed Framework—we could lose the framework.

And then the question is, what do we have to replace it with? What are the policy alternatives?

It seems to me that they are quite familiar. There are three. We can accept a nuclear weapons program, combined with extended-range ballistic missiles in North Korea. Or we could attempt to in-

fluence the North Koreans through international sanctions. Or we could attempt to interdict those programs through military action.

Accepting that capability in North Korea, it seems to me—and I believe it has been said by this administration—would be unacceptable—unacceptable to have a nuclear weapons program in North Korea. Second, I do not believe that anybody who has looked at it has thought that U.N. sanctions would be effective in stopping these programs. And, third, I do not think we should contemplate military intervention unless we are prepared to engage in a major conflict on the Korean Peninsula.

In short, it seems to me that the administration is on the right course. It is a rough and rocky road. But it is the right road. And I do not see any smooth paths to get to where we need to go.

Thank you, Mr. Chairman.

Senator THOMAS. Thank you, sir.

I guess I do not quite understand what you would suggest the administration policy is.

Ambassador GALLUCCI. Mr. Chairman, you do not understand what I believe the administration policy is?

Senator THOMAS. Well, you said you think they are on the right path. And I am saying, where is the path leading? We have this agreement, the framework agreement. Beyond that, what are we doing? Are we going to bargain with food aid? Are we going to just continue to have our forces there to stand them off? I do not understand why you think that we are on the right path?

Ambassador GALLUCCI. I think we are on the right path, Mr. Chairman, because I understand that the administration intends that the primary purpose of the Agreed Framework, stopping the nuclear weapons program, is continuing to be the measure of whether the framework should be supported. In other words, either the issue of the cavern is going to be resolved, or the underground site or whatever it may be, or if it is not, then we are going to move off to another policy. I think that is correct.

Senator THOMAS. But this was my question to the others and now I guess I should say it to you, is the framework a policy? And the answer was no, it is a partial policy. We have a framework policy, but we are not sure, for example, what has happened to the existing rods. Maybe they will be canned. What happens to them? We are not certain as to what has happened to the dismantling of reactors and so on. We have not had a reduction of barriers to trade as was suggested when we set up this framework. We have the fifth largest military in the world, the largest per capita military. We have moved more military weapons up to the DMZ.

Now, is the framework agreement dealing with all of those things?

Ambassador GALLUCCI. Absolutely not, Mr. Chairman.

Senator THOMAS. Then what is?

Ambassador GALLUCCI. Mr. Chairman, the policy of the administration before and now, as I understand it, was to negotiate an Agreed Framework to deal principally with one concern. And hopefully, that being an element in a strategy to deal with the threat from North Korea, it would put us in a position to deal politically with other issues. We wanted to promote dialog between North and South.

Senator THOMAS. Right.

Ambassador GALLUCCI. We wanted to get confidence in security-building measures to deal with the conventional imbalance of forces, the forward deployment. We were concerned about the ballistic missile program when I was negotiating the Agreed Framework. We prioritized these. We drew a line of what we absolutely needed to get and what we would do in order to get that. We made that call.

And the gentlemen that preceded me said what I believe to be true then and now: the Agreed Framework is not a strategy; it is an element in a strategy.

Senator THOMAS. Exactly.

Ambassador GALLUCCI. And I believe it fits. I believe it addresses the nuclear issue. And to the extent we demonstrated it fails to, then it is not a useful element any longer.

And what I understood them to be saying was that we are going to insist that the North Koreans resolve that question. The elements of the spent fuel that were not reprocessed, the North Koreans have already said they will take care of. I know of no problem with the freezing of the facilities. I have understood from compliance checked by the IAEA that that has been all on track. So with respect to the primary purpose, we have identified where the problems are and the standards are.

Senator THOMAS. But let me interrupt. You and I have already agreed, as have the others, that that is only part of the question.

Ambassador GALLUCCI. Absolutely.

Senator THOMAS. And we are faced with the rest of it.

Ambassador GALLUCCI. Absolutely.

Senator THOMAS. We are absent a policy is what I am saying to you.

Ambassador GALLUCCI. Mr. Chairman, that is the part where I guess we are diverging.

Senator THOMAS. OK.

Ambassador GALLUCCI. It seems to me if you start with the nuclear issue and the Agreed Framework and then say, OK, we have other concerns with North Korea—we do not like their ballistic missile development program, even if they were not exporting it, because it threatens not only South Korea but Japan and Northeast Asia—but we especially do not like it because they are exporting NO DONG's, the version prior to the TAEPO DONG which they just tested, to South Asia and to the Middle East. So we have grave concerns about this.

The question is, how do you address this? Well, you address this through diplomacy—the only way I know of—apart from some other actions, and I already mentioned them, which I do not think are particularly prudent at this point. And that is to get the North Koreans into a negotiation in which they might be willing to give up this program.

I know of no other strategy. What the Agreed Framework does is deal with one issue and give you a political framework, or begin to give you a political framework, to help you engage them on that issue. But it does not address it by itself.

Senator THOMAS. Well, that is very useful conversation. But the fact is, for those of us that watched this happen, we have had these

talks, we have had these negotiations, we have had promises, we have had signed agreements, and yet these other things—proliferation of nuclear weapons, missiles—continues to go on. So what do you do, just say, well, we want to continue to talk?

Ambassador GALLUCCI. Mr. Chairman, I must be missing something here, because it seems to me, as I look around the world, the United States does not always get its way. It does not get its way in South Asia, where both countries tested nuclear weapons recently. It does not get its way in Iraq, where we fought and won a war. That just does not happen that simply.

The only way I know of is you start a negotiation, you make a decision whether the use of force is going to be one of your options or not. And that is based on a whole lot of calculations.

Senator THOMAS. But a wait a minute. Use of force is not the only option. We continue to do lots of other things, as well.

Ambassador GALLUCCI. Indeed.

Senator THOMAS. As if they were complying with everything that we asked them to do. And they are not. And it is hard for me to understand that.

Senator Robb.

Senator ROBB. Well, just to continue that question and maybe bring it to a close. I assume that you take the position that as long as we continue to achieve our objective or meet the purposes of the Agreed Framework agreement, that we ought to continue to consider that largely in isolation from the other matters, particularly with respect to proliferation of ballistic missiles, where we have had arguably no success whatever.

And maybe that is a little harsh, but at least the progress has been more difficult to document or measure in most of those other areas. But you are saying—and I am really not arguing with you at this point, because I think you can make the case that simply achieving one identifiable, discrete objective purpose and continuing to hold that in check, even though all the rest of the negotiations or lack of negotiations or success is important, in and of itself, and we ought not to give up on the one area that we have had success to date simply because we are not making progress in other areas that are also vitally important to us. Is that a fair summation?

Ambassador GALLUCCI. Almost.

Senator ROBB. OK. It is now your opportunity to—

Senator THOMAS. Now, I would not want you to agree with him entirely. [Laughter.]

Ambassador GALLUCCI. Senator, I think that a decision needs to be made, or a calculation needs to be made, continually about whether the game is worth the candle.

Senator ROBB. Well, that is really what I was asking.

Ambassador GALLUCCI. And what I am trying to say is that up to now, for me at least, it seems the answer to that was yes. But the North Koreans have done some pretty provocative things of late.

I have special responsibility for the U.S. Government for the Russia-Iran relationship with respect to ballistic missiles and nuclear weapons. And the North Korean-Iranian connection on ballistic missiles is particularly troubling. And I do not need to explain

here about the implication of ballistic missiles being introduced into Pakistan for the Pakistan-Indian relationship, particularly recently.

So this makes it a circumstance in which one wants to look very carefully if we are still in a position where we see that it is worthwhile to freeze the nuclear issue even though something so critically important is not going where we would like it to go.

I would also add that politically to be in a negotiation in New York, and while that negotiation is proceeding, to have the missile test was—and I say this as a Dean from Georgetown—was felt like a finger in the eye at that moment. While, incidentally, we are considering humanitarian assistance, too. If that missile test had been over Florida or Long Island, we could get a little bit of the feeling of how Japan must feel at a time like this.

So I do not believe that any of this is easy. But what I was trying to say in my remarks was that this requires real political maturity to sit and look hard at this and say, OK, this is a very hard thing to take, but let us look at what the alternatives are, and are they better?

If we take a step and we say we are going to recondition our participation in the Agreed Framework so that we link ballistic missile tests or ballistic missile deliveries to our performance under the Agreed Framework, we are trying to add more on to it than I negotiated. OK, if we lose the agreement, are we better off?

What happens, then, if the nuclear program that we know about starts up again? How else will we deal with it?

All I am saying is it is very hard to do, to make that calculation.

Senator ROBB. You mentioned the word “alternatives,” and I suggested earlier on I wanted to address the question of produced at home as opposed to imported plutonium, weapons grade, whatever the case may be. I realize that we get very quickly into areas that we should not get too specific, but in terms of just the large policy tradeoffs that are involved, do you think that the worth of the current freeze in terms of denying the ability to provide home-produced enriched fissile material or whatever is important enough to exclude an alternative sourcing as a—I am not quite sure how to ask the question without getting into an area that I do not think we want to go—at least not in this venue.

Ambassador GALLUCCI. I think I could say something to it which would not get us into trouble.

Senator ROBB. OK, please.

Ambassador GALLUCCI. All of us who deal with the international security situation now are concerned about the availability of fissile material, particularly plutonium, from the former Soviet Union—particularly.

Senator ROBB. That is obviously what I am thinking of.

Ambassador GALLUCCI. And under those circumstances, one asks the question of whether it is still worthwhile to make indigenous, home-grown fissile material, the centerpiece of a policy. And I would note that we estimated that the Iraqis spent someplace between \$8 billion and \$10 billion for those facilities that would produce only a relatively small amount of highly enriched uranium.

I believe that while one cannot exclude and one needs to worry a great deal about a black market in fissile material, that we have

not reached a point yet—thank God—that that is a reality. Or, to put the implications of that more clearly, that it is still worth a great deal to focus on facilities to produce fissile material, whether we are talking about Iraq, Iran, Libya, or North Korea. I really do think that is true.

Senator ROBB. I think that is a good place to leave it.

Thank you, Mr. Chairman.

Senator THOMAS. Yes, you are welcome.

Thank you, Ambassador. I know you need to leave. It is interesting, though, the amount of stress and strain that goes on. Here is a country the size of Mississippi, with 20 million people, surrounded by China, South Korea, Russia, all pretty much combined in their efforts to do something. On the other hand, you have Iraq and you have Libya, little countries that seem to—and we have based 37,000 armed services people there, plus we just shipped some more stuff over there, and you wonder sometimes if that is where we ought to be focusing as much attention as we do.

And you mentioned Iraq. It seems to me the same thing is true with Iraq. And you are something of an expert. We have just been going through this idea that we were going to—the agreement was that we would have inspections. But when they say no, you cannot do that, then what do we do? We just kind of back away from it. How long do you do that?

Ambassador GALLUCCI. The question I think, Mr. Chairman, is making the calculation, again, about whether it is in our interest to take the steps to enforce an agreement.

Senator THOMAS. Exactly. And thank you very much for your contribution.

Ambassador GALLUCCI. Thank you, Mr. Chairman.

Senator THOMAS. We appreciate it.

Ambassador GALLUCCI. Thank you, Senator.

Senator THOMAS. The committee will stand adjourned.

[Whereupon, at 3:35 p.m., the subcommittee was adjourned.]

APPENDIX

Additional Questions for the Record by the Committee to Ambassador Kartman Submitted

QUESTIONS SUBMITTED BY CHAIRMAN HELMS

Question. Can you please tell the Committee at what point the administration became aware of the existence of the underground complex? At what point did we become aware of the activity at the complex, which, according to recent press reports, involves as many as 15,000 people?

Answer. North Korea's practice of tunneling and building underground facilities for military programs is well known. The intelligence community tracks activities of concern in North Korea on an ongoing basis, but underground construction can be hard to detect and even harder to monitor, especially in such a closed society as North Korea. Although we have been monitoring the construction in question for some time, we did not develop our conclusions about its possible functions until recently. The intelligence community immediately presented its findings to senior Administration officials that the North was building a facility underground that raised concerns related to North Korea's commitments under the Agreed Framework. Copies of that finding have been shared with Congress.

I would be happy to provide a more detailed response to this question on a classified basis.

Question. When did we let the North Koreans know we knew about the underground complex? What was their reaction and explanation?

Answer. We informed the North Koreans of our suspicions on August 21, the first day of our bilateral negotiations in New York. The North Koreans told us that it was a civilian site. We made clear to them that we had serious concerns about the nature of the site and told them in no uncertain terms that verbal assurances would not suffice and that access to the underground construction would be necessary to satisfy our concerns.

Question. Does the Administration have an official view as to whether the existence of the underground complex, or the activity there, constitutes a violation of the Agreed Framework?

Answer. While we have not concluded that there has been a violation of the Agreed Framework, the U.S. nonetheless has serious concerns about the suspect underground construction which must be resolved. This was a major focus of our recent discussions with the North Koreans in New York. We have made it crystal clear to the North Koreans that they must live up to their obligations under the Agreed Framework.

As a result of the talks in New York, North Korea agreed to hold further serious discussions to clarify the nature of the suspect underground construction. We have told the North Koreans that any such clarification cannot be limited to verbal assurances, but will have to include access. Arrangements for these discussions are being made with the North Koreans through the New York channel.

Question. Regardless of whether it violates the Framework, does the administration agree that work at a secret underground nuclear complex by North Korea is a matter of grave national security concern to the United States?

Answer. North Korea's intentions with respect to the suspect underground construction are a matter of serious national security concern. Our suspicions about this construction must be resolved, and we have told the North Koreans that access to the site is essential to doing so.

Question. Doesn't the fact that the North Koreans were engaged in this activity with the Agreed Framework in place call into question their trustworthiness?

Answer. Verification, not trust of North Korean intentions, is the basis of our policy. For this reason, the Agreed Framework is structured as a series of interlocking reciprocal agreements. For instance, they must maintain a freeze on all nuclear activities at Yongbyon to maintain the flow of our HFO deliveries.

Regarding the light-water reactors, before key nuclear components can be installed in the first reactor structure, the DPRK must cooperate with the IAEA to verify its initial declaration of nuclear material and implement full-scope safeguards, including challenge inspections anywhere in the country, as required. If this verification is not made, the DPRK will not receive the key reactor components, without which the reactor cannot function.

Question. And by extension, doesn't this fact call into question the fundamental viability of the Framework, since it is based in part on trust (i.e., the Framework Agreement doesn't necessarily cover any and all nuclear activity in North Korea and it has not yet led to IAEA special inspections of North Korea's suspected waste sites, and won't for at least another year)?

Answer. The Agreed Framework is not based on trust, but on reciprocal actions. Under the Agreed Framework, North Korea is committed to shutting down its nuclear activities at the graphite-moderated reactors and related facilities at Yongbyon. Upon completion of the first LWR project, North Korea's graphite-moderated reactors will be dismantled. Upon completion of the LWR project, all of North Korea's spent fuel will be disposed of in a safe manner that does not involve reprocessing in the DPRK. When the LWR project is nearly complete, but before delivery of key nuclear components, the DPRK must come into full compliance with its safeguards agreement with the IAEA, which includes satisfying IAEA concerns about Yongbyon and other sites.

In short, the Agreed Framework is designed as a step-by-step arrangement that can be stopped, if necessary, by either side at any time. It also provides a means to raise issues of key concern, and specifies that improvement in bilateral relations will depend on progress on such issues. The U.S. has major concerns about suspect underground construction in North Korea. These concerns must be resolved to our satisfaction. We have made it clear to the North Koreans that any clarification must go beyond verbal assurances and will have to include access. We have also told them that failure to resolve our concerns about the suspect construction would call into question the viability of the Agreed Framework.

Question. Since the beginning, the issue of the cost of follow-on items for the Light-Water Reactors in North Korea has been somewhat cloudy. Do we now have a firm estimate of the cost, and are we any closer to an agreement as to who will pay for items such as supplying the fuel for the reactors, storing and removing fuel, training of personnel and upgrading North Korea's power grid?

Answer. While the final step of the burden sharing agreement among KEDO Executive Board members (the U.S., Republic of Korea, Japan, and the European Union) has not been formalized, they have agreed on a cost estimate of \$4.6 billion for construction of the two proliferation-resistant, light-water reactors. The Republic of Korea is committed to paying 70% of the total cost, with Japan pledging to provide the yen equivalent of \$1 billion. Fuel for the first of the light-water reactors will be included in the cost of the LWR project, as will the cost of providing a comprehensive training program in accordance with standard nuclear industry practice for the DPRK's operation and maintenance of the LWR plant. The cost of storing and removing spent fuel, and of upgrading North Korea's power grid, will be borne by the DPRK.

Question. According to a *New York Times* article dated September 10, we apparently have reached a new deal with North Korea that promises them more food aid. Is this correct?

Answer. Although the North Koreans raised the issue of additional food assistance at our recent New York talks, as they do each time we meet, our recent decision to provide additional food assistance was in response to the World Food Program's ongoing appeal, and was made, as all such decisions are made, on a purely humanitarian basis. We have repeatedly told the North Koreans that we will not link our food aid to political conditions. Nonetheless, the North Koreans continue to seek to draw such linkages. We have briefed these food aid decisions to the staff of relevant committees, including the SFRC.

Question. If the answer to the previous question is yes, what is the sequence of events under the agreement? Will the aid precede any of The commitments by North

Korea, such as giving us eventual access to the underground site? When do we expect to be granted access to the site by the North Koreans? How can we be assured that the North Koreans won't sanitize the site before we access it?

Answer. We expect to make the shipments of additional humanitarian food assistance announced on September 21 in several tranches over the course of the remainder of the year.

We are currently making arrangements to resume discussions with the North Koreans on the suspect underground construction. We expect the talks on access to the suspect construction to be lengthy and complex. We have made clear to the North Koreans that further progress in improving bilateral relations and our implementation of the Agreed Framework requires clarification and satisfaction on the nature of the suspect underground construction. We also continue to make clear to them that the DPRK must live up to its obligations under the Agreed Framework.

On the question of the North Koreans sanitizing the site before we access it, let me say that we have the same concerns and for that reason are monitoring the site closely.

Question. In response to North Korea's recent launch, Japan has frozen aid to North Korea for both food and KEDO, has suspended charter flights, and talked of beefing up its missile defenses. This apparently is a much tougher response than our own. What is the Administration's opinion of the Japanese policy?

Answer. We share Japan's strong concerns about the North Korean missile launch. The launch constituted a threat to regional stability and has serious implications for our security arrangements in Northeast Asia. The U.S. will raise the full range of our concerns about North Korea's indigenous missile activities and exports in missile talks with North Korea on October 1 in New York.

The U.S., ROK and Japan continue to consult closely on the nature and implications of the missile launch. Secretary Albright met with her South Korean and Japanese counterparts September 24 in New York to consult on North Korea, and the DPRK missile launch was a major topic of their discussions.

In the aftermath of the missile launch, Japan postponed signing the burden-sharing agreement for the light-water reactor to be constructed by KEDO. Nonetheless, all KEDO member governments—including Japan—have reaffirmed since the missile launch their support for the Agreed Framework and commitment to KEDO. A copy of that reaffirmation is attached.

U.S. DEPARTMENT OF STATE,
OFFICE ON THE SPOKESMAN,
For Immediate Release: September 24, 1998.

JOINT STATEMENT ON NORTH KOREA ISSUES

SEPTEMBER 24, 1998

BY

THE MINISTER FOR FOREIGN AFFAIRS OF JAPAN

THE MINISTER OF FOREIGN AFFAIRS AND TRADE OF THE REPUBLIC OF KOREA

AND

THE SECRETARY OF STATE OF THE UNITED STATES OF AMERICA

Minister for Foreign Affairs Masahiko Koumura, Minister of Foreign Affairs and Trade Hong Soon-young, and Secretary of State Madeline K. Albright met in New York on September 24, 1998 to discuss and coordinate policies regarding North Korea.

The three Ministers confirmed the importance of maintaining the Agreed Framework signed between the United States and North Korea in October 1994 and the Korean Peninsula Energy Development Organization (KEDO) as the most realistic and effective mechanisms for preventing North Korea from advancing its nuclear program. They urged North Korea to implement fully the Agreed Framework including the continued freeze of nuclear activities under IAEA monitoring and to remove any doubts about its nuclear program. Secretary Albright explained that the recent U.S.-North Korea talks resulted in mutual reconfirmation of U.S. and North Korean commitment to the Agreed framework. Ministers Koumura and Hong reaffirmed

their support for the Agreed Framework and all three ministers reiterated their commitment to KEDO. The three Ministers agreed to continue to consult and coordinate fully and Secretary Albright stated that the U.S. would continue to fully respect the positions of the governments of Japan and the Republic of Korea in implementing the Agreed framework, including the Light Water Reactor project.

The three Ministers deplored North Korea's recent missile launch. They agreed that North Korea's missile development, if unchecked, would adversely affect the peace and security of Japan, the Republic of Korea and the entire Northeast Asia region, and that it raised serious concerns about the proliferation of weapons of mass destruction and their delivery systems. They shared the concern and regret expressed by the members of the United Nations Security Council over North Korea's launching of a missile without prior notification to the countries in the region, which was irresponsible and in disregard of international safety norms.

They also reviewed the results of talks between the United States and North Korea held from August 21 to September 5, 1998 in New York. These results included resumption of U.S.-North Korea missile talks, an important forum at which to address the North Korean missile issue. Secretary Albright expressed the determination of the United States Government to seek through those talks the cessation of North Korean flight-testing, production, deployment, and export of missiles and related material and technology. Ministers Koumura and Hong expressed their support for these U.S. efforts and stressed the importance of North Korea's committing to tangible steps in the missile talks.

The three Ministers also reviewed other, no less important steps that the United States and North Korea have agreed upon recently. They include North Korean Agreement to continue serious discussions to clarify the nature of suspect underground construction in North Korea, to complete promptly the canning of the remaining spent fuel rods at Yongbyon, and to hold a third plenary meeting of the Four Party Talks and discussions on terrorism. The three Ministers agreed to consult closely in all aspects of these talks.

They reaffirmed the importance of close consultation concerning policies toward North Korea.

Question. Should Japan decide that further aid to North Korea is not in its interest, what kind of ramifications will this have on our own policy toward North Korea?

Answer. As described above, we consult very closely with the Government of Japan, as well as the Republic of Korea, as the three countries address the challenges presented by the North Koreans to the security of Northeast Asia. Japan has publicly reaffirmed since North Korea's missile launch its commitments to continued commitment to KEDO and support for the Agreed Framework, which all three countries recognize as critical to maintaining peace and stability on the Korean Peninsula.