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**"Regional Implications of the Changing Nuclear Equation on**  
**the Korean Peninsula"**  
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Mr. Chairman and Members of the Committee, it is an honor and a privilege to appear before you today to discuss a vitally important issue, the regional implications of the changing nuclear equation on the Korean Peninsula.

THE PROBLEM

Let me begin by recapping the problem.

For many years, North Korea's nuclear weapons program has been of concern to the international community.

In 1993, North Korea provoked a very serious situation on the Peninsula with its announced withdrawal from the Nuclear Non-Proliferation Treaty, setting in motion a crisis-and-negotiation scenario that culminated in the 1994 Agreed Framework.

While North Korea adhered to the Agreed Framework "freeze" on its declared plutonium production facilities at Yongbyon, last summer it became apparent that the North had been pursuing for several years another track covertly to acquire nuclear weapons, a uranium enrichment program.

Our discovery of this program and North Korea's refusal even after acknowledging it to us, to dismantle it, forced us to set aside a policy we had hoped would put us on a path towards resolving all of our concerns with North Korea -- a path that would have offered North Korea an improved relationship with the United States and participation in the international community, with the benefits and responsibilities conferred by membership in the international community.

Instead of undoing its violations of existing agreements with the U.S. and South Korea, as well as of the NPT and IAEA Safeguards agreement, the North has escalated the

situation, first by expelling IAEA inspectors, then announcing its withdrawal from the NPT.

More recently, the North restarted its reactor at Yongbyon, conducted test firings of a developmental cruise missile, and intercepted an unarmed U.S. aircraft operating in international airspace with four armed North Korean fighter aircraft.

Each of these North Korean provocations is designed to blackmail the United States and to intimidate our friends and allies into pushing the United States into a bilateral dialogue with the North -- giving the North what it wants, and on its terms. What the North wants is acceptance by us that North Korea's nuclear weapons are somehow only a matter for the DPRK and the U.S. This may be tempting to some nations. But it is not true.

#### WHY A MULTILATERAL APPROACH

We tried the bilateral approach ten years ago, by negotiating the U.S.-DPRK Agreed Framework.

We agreed to organize an international consortium to provide the light water reactor project and to finance heavy fuel oil shipments, in exchange for the freezing and eventual dismantling of the North's graphite-moderated nuclear program. Our agreement also set aside North Korea's obligations under the Nuclear Non-Proliferation Treaty.

In 1993 and 1994, and over the past decade, we made a number of statements relating to North Korea's security.

And we found the North could not be trusted.

This time, a new and more comprehensive approach is required.

The stakes are simply too high.

North Korea's programs for nuclear weapons, and the means to deliver them at increasingly longer range, pose a serious regional and a global threat.

A nuclear North Korea could change the face of Northeast Asia -- undermining the security and stability that have

underwritten the region's economic vitality and prosperity, and possibly triggering a nuclear arms race that would end prospects for a lasting peace and settlement on the Korean Peninsula.

The stakes are no less compelling for the international community, which would face the first-ever withdrawal from among the 190 signatories to the NPT, dealing a serious blow to an institution that may be even more relevant and necessary today than ever in its history.

And an economically desperate North Korean regime might sell fissile material or nuclear arms abroad.

Make no mistake, we believe we can still achieve, through peaceful diplomacy, a verifiable and irreversible end to North Korea's nuclear weapons programs.

However, to achieve a lasting resolution, this time, the international community, particularly North Korea's neighbors, must be involved. While the Agreed Framework succeeded in freezing the North's declared nuclear weapons program for eight years, it was only a partial solution of limited duration. That is no longer an option.

That is why we are insisting on a multilateral approach, to ensure that the consequences to North Korea of violating its commitments will deny them any benefits to their non-compliance.

It was easier for North Korea to abrogate its commitments to the United States under the Agreed Framework, thinking it would risk the condemnation of a single country.

In fact, the past six months have shown that the international community is united in its desire to see a nuclear-weapons free Korean Peninsula. North Korea has no support in its policies as reflected in the 35-0-0 and 33-0-2 IAEA votes.

If our starting point for a resolution is a multilateral framework, therefore, we believe that this time, it will not be so easy for North Korea, which seeks not only economic aid, but also international recognition, to turn its back on all of its immediate neighbors and still expect to receive their much-needed munificence.

This would further North Korea's own isolation with an even more terrible price to be paid by its people, who are already living in abject poverty and face inhumane political and economic conditions.

States cannot undertake this task alone. International institutions, particularly the International Atomic Energy Agency and the UN Security Council, will have an equally crucial role to play.

Thus, as Secretary Powell explained to our friends and allies in Northeast Asia when he visited the region last month, we are moving forward with plans for multilateral rather than bilateral talks to resolve this issue.

But the rubber hits the road when we are faced with violations of those agreements and commitments.

Moreover, it is important to underscore that multilateral support for such regimes as reflected in the NPT is critical.

We must, in dealing with North Korea, be mindful that other would-be nuclear aspirants are watching. If North Korea gains from its violations, others may conclude that the violation route is cost free.

Deterrence would be undermined and our nonproliferation efforts -- more critical now than ever -- would be grossly jeopardized.

#### REGIONAL IMPLICATIONS

Achieving a multilateral resolution to North Korea's nuclear weapons program will take time. The key states in Northeast Asia -- South Korea, Japan, China and Russia -- all share the common goal of seeking a denuclearized Korean Peninsula. However, each also has a unique historical experience with North Korea and very distinct concerns.

Japan has suffered a legacy of North Korean abductions of innocent Japanese civilians, as well as the threat posed by North Korea's missile program. The cool admission of kidnappings from the Japanese home islands followed by untimely deaths stunned many Japanese.

For China, a nuclear North Korea raises the specter of a regional arms race and a neighbor with a very unstable economic backdrop to its nuclear ambitions -- and a potentially huge burden on Chinese resources.

Russia is likewise concerned about a regional nuclear arms race and instability on its far eastern border.

And, the people of South Korea want national reconciliation, yet worry about the economic costs and burdens that this could impose.

As the foregoing should make clear, all of North Korea's immediate neighbors feel they have a stake in the outcome of the diplomatic process and want to be consulted and engaged in achieving a resolution.

For that reason, all of them support the principle of multilateral dialogue.

Indeed, since the Secretary's trip to the region last month, our discussions with Japan, South Korea, China and others have been focused on the specific modalities of a multilateral approach, rather than its merits.

What I would like the committee to understand, however, is that in response to North Korean demands for bilateral US-DPRK dialogue, they have asked that we also address DPRK concerns directly.

We have told our partners that we will do so -- but in a multilateral context. This time, we need a different approach. This time, we cannot run the risk of another partial solution.

The process for achieving a durable resolution requires patience. It is essential that North Korea not reprocess its spent nuclear fuel into plutonium. That could produce significant plutonium within six months. But the HEU alternate capability is not so far behind. Resolution is not just a matter of getting the North to forswear its nuclear weapons ambitions, but also to accept a reliable, intrusive verification regime, including declaration, inspection, and irreversible and verifiable elimination.

North Korea has so far rejected a multilateral approach, but we do not believe this is its last word or its final position.

Members of the Committee will recall that last year, North Korea loudly refused our proposal for comprehensive talks until finally convinced to follow through on that offer by Japan, South Korea, and China. We then had to shelve our talks with the discovery of the clandestine HEU program, of course. This time our friends and allies have again begun working on North Korea. Indeed, as the South Korean Foreign Ministry noted on March 7, "North Korea could find some benefits from multilateral dialogue which bilateral dialogue cannot provide."

In the end, though, North Korea will have to make a choice. Over the past ten years, Pyongyang has been in pursuit of two mutually exclusive goals. The first is nuclear weapons. The second is redefining its place in the world community -- and, incidentally its access to international largesse -- by broadening its diplomatic and foreign economic relations.

The DPRK needs to accept that it cannot do both.

Unfortunately, North Korea's choice to date has been to proceed with nuclear weapons development and to escalate international tensions, while demanding commitments and dialogue.

North Korean provocations are disturbing, but they cannot be permitted to yield gains to North Korea.

The international community must, and indeed is, impressing on the North that it is in its own best interest to end its nuclear arms program.

The North must understand that to choose the path of nuclear weapons will only guarantee further isolation and eventual decline, if not self-generated disaster.

The United States is open to ideas about the format for a multilateral solution.

One idea is for the Permanent Five -- the U.S., China, France, Great Britain and Russia -- to meet together with the Republic of Korea, Japan, the EU, and Australia.

Others have suggested other ideas, such as six-party talks: North and South Korea, the U.S., the PRC, Japan, and Russia.

President Bush has repeatedly said we seek a peaceful, diplomatic solution with North Korea, even though he has taken no option off the table.

The President has also stressed that we will continue to provide humanitarian assistance to the people of North Korea and that we will not use food as a weapon.

We recently announced an initial contribution of 40,000 tons of food aid to North Korea through the World Food Program, and we are prepared to contribute as much as 60,000 tons more, based on demonstrated need in North Korea, competing needs elsewhere, and donors' ability to access all vulnerable groups and monitor distribution of the food.

In closing, I would note that in the past, North Korea has indicated it wanted to transform its relations with the United States, South Korea and Japan.

North Korea has the ability to achieve such a transformation.

The question is whether it has the will to do so. The DPRK will need to address the concerns of the international community.

First, North Korea must turn from nuclear weapons and verifiably eliminate its nuclear programs.

President Bush has said he would be willing to reconsider a bold approach with North Korea, which would include economic and political steps to improve the lives of the North Korean people and to move our relationship with that country towards normalcy, once the North dismantles its nuclear weapons program and addresses our long-standing concerns.

While we will not dole out "rewards" to convince North Korea to live up to its existing obligations, we and the international community as a whole remain prepared to pursue a comprehensive dialogue about a fundamentally different relationship with that country, once it

eliminates its nuclear weapons program in a verifiable and irreversible manner and comes into compliance with its international obligations.

Of course, for full engagement, North Korea will need to change its behavior on human rights, address the issues underlying its appearance on the State Department list of states sponsoring terrorism, eliminate its illegal weapons of mass destruction programs, cease the proliferation of missiles and missile-related technology, and adopt a less provocative conventional force disposition.

As I said, we remain confident that diplomacy can work -- and that there will be a verifiable and irreversible end to North Korea's nuclear program.

To that end, the United States is intensifying its efforts with friends and allies.

Thank you for this opportunity to discuss this important issue today with you.

We will continue to work closely with the Congress as we seek a multilateral, diplomatic solution with respect to North Korea.



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