

THE BUSH ADMINISTRATION AND NONPROLIFERATION: A NEW STRATEGY EMERGES

HEARING BEFORE THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED EIGHTH CONGRESS

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EMERGES**

TUESDAY, MARCH 30, 2004

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Committee met, pursuant to call, at 11:05 a.m. in Room 2172, Rayburn House Office Building, Hon. Henry Hyde (Chairman of the Committee) presiding.

Chairman HYDE. The Committee will come to order.

We live in a world and in a city where rumblings of warning blend into a familiar background, where fluency in the language of crisis is widely shared, where doomsayers and Cassandras readily ply their trade.

Some alarms are of an immediate nature and are drawn from the empirical world; others are distilled from more abstract projections. But I can think of no scenario more frightening, more disastrous, than that of terrorists acquiring weapons of mass destruction, of which nuclear weapons are the transcendent example.

Few would disagree that combating this threat must be among our highest national priorities, and yet that resolution has not always been matched by concrete action.

I speak here not as a partisan, for the successes and failures in this area can be widely distributed among parties, factions, individuals and schools of thought, but none would maintain that all that could be done, all that should be done to avert this unparalleled disaster, has in fact been done.

Over the decades, a number of policies, actions, programs and efforts have been advanced to address the many challenges of this hydra-headed problem. The collective result of these labors constitutes an enormous success, but, nevertheless, our current defenses remain far from perfect. And yet our goal must be perfection. For our vessel is a leaky one where even a single hole can be an opening to the Apocalypse.

Our regime of safeguards has taken shape in piecemeal fashion, often in a reactive response to correct problems that have been unexpectedly unearthed. Perhaps the best example is the revelation, in the aftermath of the 1991 Gulf War, of the scale of Saddam Hussein's weapons of mass destruction programs, including the bone-chilling discovery that his nuclear ambitions were within an estimated 6 months from being realized.

This and other providential discoveries underscored the gross inadequacy of the existing inspection procedures and led to the crafting of the so-called Additional Protocol which mandates far more intrusive measures than those of the original Non-Proliferation Treaty.

But even these much-strengthened measures cannot compensate for other fatal shortcomings which may become evident only in retrospect. The sudden and recent exposure of Iran's longstanding efforts to acquire a nuclear capability and its success in assembling key elements of a weapons program have once again demonstrated the harvest of deadly consequences that complacency may sow.

This being an election year, the contest is joined on all fronts. To its detractors, this Administration has been guilty of any number of sins in its foreign policy, a criticism that sometimes extends to the limits of geography and propriety.

However, what I find most surprising is that little or no attention has been devoted by either detractors or supporters to what is undeniably a major success, namely the crafting of an innovative, comprehensive and, and this is of crucial importance, action oriented strategy of preemptive nonproliferation.

Methodically, piece-by-piece, the Administration has reinvented the nonproliferation regime it inherited, crafting policies to fill gaping holes, reinforcing earlier patchwork fixes, assembling allies, creating precedents, setting new limits, changing perceived realities. It is an enormous achievement, worthy of universal praise, and it is still building.

To this Administration must go the credit for many long-delayed but indispensable actions to reverse our slide toward the chasm. I will cite only a couple of examples, with counter-trafficking measures taking pride of place. Among the most prominent innovations is the Proliferation Security Initiative, the cooperative arrangement among a growing number of countries that is aimed at taking direct action to intercept the illegal transshipment of WMD, weapons, components and materials. This is a muscular enhancement of our ability to halt trafficking in the components of these weapons.

I confess that, once it was announced, my immediate response was, "Why were we not doing this 30 years ago?" Nevertheless, I am thankful it is being done at last.

Despite this program's infancy, there have already been notable successes. It was the interception of a vessel loaded with nuclear components for Libya that helped convince Khaddafi that the days of his undisturbed accumulation of the instruments of destruction were over.

Much attention has been focused on the revelations of the stunningly extensive nature of the trafficking in nuclear technology and materials by members of Pakistan's nuclear programs. These revelations, combined with invaluable information from Libya's program, have torn the cover from the international black market in nuclear technology and know-how, which, prior to this inside information had only been sketchily understood.

What is usually overlooked, however, is the Administration's success in persuading the leaders of Pakistan to take active measures to interrupt the proliferation of nuclear materials and assistance that has metastasized unchecked from that country for many years.

We are now in the process of unraveling that network and preventing the horrors its commerce would otherwise bring into being.

Despite its caricatured image of being oblivious to potential support from the international community, the Administration will shortly announce success in its efforts to prod the U.N. to greater endeavors in nonproliferation, having crafted what is likely to be a unanimous resolution by the Security Council mandating that all member countries adopt effective measures to prevent the illegal trafficking in weapons of mass destruction related goods with the prospect of establishing universal adherence to these rules.

There are many other elements deserving mention. I will refrain from doing so in order to focus on the central innovation, which I believe is indispensable for any successful nonproliferation effort, namely: The demonstrated credibility of action, for this represents nothing less than a transforming precedent.

Now making the rounds is the view that the United States has lost credibility around the world due to our policy in Iraq. I suggest the exact opposite is true. We in fact have gained enormous, immensely valuable and even decisive credibility from our actions there, for the next time the U.S. or at least this President warns some foreign despot to cease actions that we believe are threatening to our security, my hunch is he will listen, and he will listen carefully.

The fact that we went into Iraq virtually alone, excepting our courageous partner, Great Britain, not only without the sanction of the international community, but in blunt defiance of its strenuous efforts to stop us is far from the ruinous negative it is often portrayed as. In fact, it is all to the good for it is unambiguous proof that absolutely nothing will deter us, that the entire world arrayed against us cannot stop us. The message on the receiving end could not be more clear, and unless they are suicidal they will understand that their options will be radically narrowed.

This is not theory. Already the Administration has won another victory in Muammar Khaddafi's decision to surrender his weapons of mass destruction programs in direct consequence of our actions in Iraq. It is a powerful precedent, for it is the first time that a state has surrendered these weapons without a regime change.

If Khaddafi makes good on his promise and if we can in confidence readmit him fully to the international community, the effect on others cannot but be salutary. For we can then offer offenders a stark choice of the sword or the olive branch, of destruction or the rewards of cooperation, with all ambiguity torn away and thereby refocus their cold calculations of self-interest away from ambition and toward survival. Our intervention in Iraq has made this seminal message both possible and credible for the first time. Can anyone cognizant of the threats we face doubt its value?

The benefits of this new mode of interaction are evident in the current stand-off in Iran. The recent and unexpected exposure of Iran's massive nuclear weapons program has startled that regime into a hastily constructed policy of stalling and superficial cooperation. Only a fool would believe that the Iranians will voluntarily abandon their nuclear ambitions, but their coerced cooperation has been helpfully motivated by their fear of United States action against them.

Here as well, Iran's adherence to the deal it cut with Britain, France and Germany for a "suspension" of its programs has been made more likely by the existence of the United States threat, a source of real-world leverage that even the Europeans privately acknowledge to be useful. That situation is far from resolved, but does anyone actually believe that the possibility of halting Iran's march would even exist within Saddam's sobering example?

None of this has been lost on the North Korean regime. Our demonstrated willingness to use force to remove a threat, paired with the possibility of reward for cooperation, provides the decision makers in Pyongyang with useful instruction in the rules of this new world. Once again, this bracketing of the regime's options was made possible by our actions in Iraq.

Clearly, the Administration's actions regarding nonproliferation are of a sweeping nature, but even with all that has been done, much more remains as the Administration is the first to point out. In his recent speech, the President laid out an agenda listing several areas in which additional action is urgently needed, including addressing the proliferation problems inherent in countries seeking to acquire the complete nuclear fuel cycle and the need for expanded export controls worldwide, among others. Some of these problems have no ready solution, but they will require increased attention.

Each of these many actions and policies should be celebrated in themselves. But their true importance emerges only when they are arrayed together and seen as a whole, for they demonstrate the extraordinary effort by this Administration to craft and put in place a far-seeing, comprehensive, and action-oriented strategy focused not merely on the limited task of defense, but on preempting our annihilation.

Of course, the Administration inherited some very valuable initiatives, such as the Nunn-Lugar program that continues our massive effort to secure the vast weapons of mass destruction arsenal left in the wreckage of the Soviet empire. But its strategy moves well beyond merely embracing and modifying this inheritance to aspiring to nothing less than a dramatic and ambitious reinvention that seeks to address all areas of this fatal menace and to do so for the first time.

If there is fault to be had with this Administration in this area, it is that they have been remiss in not shouting their success from the rooftops. Action long dreamed of is finally being taken, but there is much more to do. We must make up for decades of still-born plans, of wishful thinking, of irresponsible passivity.

We are already late, but we are no longer bystanders ringing our hands and hoping that somehow we will find shelter from gathering threats, no longer dispirited by difficult problems that have no immediate answer, no longer waiting for some international court to issue a reluctant warrant or grudging permission to allow us to take measures to protect ourselves.

This President has begun to lay the foundation for a comprehensive, multi-layered, root-and-branch approach to the mortal danger of the proliferating instruments of our destruction. A global system of overlapping levels of international, multilateral, and unilateral measures is being erected, each using different tools and methods,

but all sharing a common purpose, the putting in place of a Strategy of Preemptive Nonproliferation.

We are only at the beginning, but it is an extraordinary beginning. Everyone in this room, everyone in this country, owes this Administration thanks for the fact that we are not only meeting this ultimate of threats on the field, but we are advancing on it, battling not only aggressively, but successfully. For the outcome of this battle may be nothing less than a chance to survive.

I now turn to my friend and colleague, Tom Lantos, for such remarks as he may wish to make.

[The prepared statement of Mr. Hyde follows:]

PREPARED STATEMENT OF THE HONORABLE HENRY J. HYDE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS, AND CHAIRMAN, COMMITTEE ON INTERNATIONAL RELATIONS

We live in a world and in a city where rumblings of warning blend into a familiar background, where fluency in the language of crises is widely shared, where doom-sayers and Cassandras readily ply their trade. Some alarms are of an immediate nature and are drawn from the empirical world; others are distilled from more abstract projections. But I can think of no scenario more frightening, more disastrous, than that of terrorists acquiring weapons of mass destruction, of which nuclear weapons are the transcendent example.

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Action long dreamed of is finally being taken, but there is still much to do. We must make up for decades of stillborn plans, of wishful thinking, of irresponsible passivity. We are already late, but we are no longer bystanders wringing our hands and hoping that somehow we will find shelter from gathering threats, no longer dispirited by difficult problems that have no immediate answer, no longer waiting for some international court to issue a reluctant warrant or grudging permission to allow us to take measures to protect ourselves.

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Mr. LANTOS. Thank you, Mr. Chairman. Let me first commend you for holding this very important hearing.

Chairman HYDE. Of course.

Mr. LANTOS. I also want to welcome the distinguished Secretary who has contributed so much to our national security.

Mr. Chairman, Libya's decision to give up its nuclear weapons development program has made an unprecedented contribution to the security of the Middle East and north Africa and to a broader region. The potentially destabilizing presence of nuclear weapons in Libya is no longer a threat, but, perhaps more importantly, the documents and materials turned over by Tripoli to the United States brought to light the shadowy truth behind the massive international nuclear black market.

Using this evidence, we were finally able to prove that Pakistan was the key player in the illegal international nuclear trade. Using this black market, the leadership of Iran, North Korea and other

rogue regimes aggressively pursued their nuclear ambitions at the expense of international stability and American national security.

As a result of these profound and eye-opening developments, the Administration recently announced seven proposals to begin the process of shutting down the nuclear black market. While I am pleased in this interest in nonproliferation policy, it is somewhat disconcerting that this important initiative is being launched 3 full years into the Administration's tenure, particularly since we have known from day one that nonproliferation policy has to be a top national security priority.

I am also troubled somewhat that these latest proposals are somewhat vague and undefined when clarity and action are required. Nevertheless, it is critical that we move forward aggressively on these and other nonproliferation initiatives because we must encourage Iran and North Korea and Syria to follow Libya's path.

Mr. Chairman, the acceleration of the Iranian and North Korean nuclear programs over the last several years is appalling. They have received much of their equipment and technology from the same nuclear black market that supplied Libya with equipment and nuclear weapons designs. All of this occurred despite the carefully constructed system of deterrence put in place by the Nuclear Nonproliferation Treaty.

Mr. Chairman, how do we reform the incentives and the sanctions of the global nuclear nonproliferation regime so that they not only prevent new Irans and North Koreas, but also move these countries to roll back and to eliminate their nuclear programs?

First, the international community must immediately take stronger action against countries such as Iran that are abusing the right to peaceful nuclear energy, even when such action imposes some costs and lost investment opportunities.

We must make it clear to such countries that they have forfeited the right to produce nuclear material for reactors, and they must be deprived of new nuclear related trade investment and trade agreements until they permanently and verifiably cease all suspect nuclear activities and dismantle any fuel production facilities.

To address the new nuclear black market, the United States and other countries must toughen their export control laws to sanction individuals, banks, and corporations, foreign and domestic, for engaging in trade in nuclear related equipment and materials. I am gratified that the United States has proposed the United Nations Security Council resolution that asks for such measures.

Mr. Chairman, I am putting the finishing touches on legislation that I will introduce shortly entitled Nuclear Black Market Elimination Act which updates U.S. laws to make the environment less permissive for people or companies that deal in the nuclear black market.

My bill will empower the President to halt all U.S. business and financial transactions with any individual or company that engages in black market nuclear trade and report on foreign companies that undercut U.S. sanctions. This legislation will offer assistance to countries to improve their export controls and monitor nuclear trade activities of their citizens and corporations.

Mr. Chairman, we must expand the proliferation security initiative launched by the Administration in order to increase its effectiveness. The Administration needs to work overtime to negotiate a new treaty at the United Nations or the International Maritime Organization, to give the global community the ability to interdict shipments of suspected weapons of mass destruction in international waters or airspace. We have pursued bilateral agreements, but we need to move beyond that level.

The threat posed to the international community by the nuclear black market is clear. The United States must take every possible action before we or our allies suffer the unimaginable consequences of letting the world's most dangerous weapons fall into the wrong hands.

Thank you, Mr. Chairman.

Chairman HYDE. Let me commend to the people listening an Op Ed article in today's *San Francisco Chronicle* on this subject, non-proliferation, written by Tom Lantos, an invaluable asset to this Committee.

The Chair will entertain opening statements, hopefully brief. I understand Mr. Sherman is waiting. Mr. Sherman?

Mr. SHERMAN. Thank you, Mr. Chairman. I sought out my position as the Ranking Member on the Nonproliferation Subcommittee because I believe those are the most important issues that face our country.

I join you, Mr. Chairman, in praising the Administration for an aggressive approach to protecting the United States from terrorism and proliferation, but the Administration is using the wrong tactics against the wrong targets. There is this discussion of weapons of mass destruction, but let us be clear. It is nuclear weapons that dwarf everything else, and the programs of Iran and North Korea dwarf anything Saddam Hussein ever envisioned.

We need to go after the right targets, and the tactics ought to be to use our very powerful economic situation and to use it aggressively. Unfortunately, the Administration has been all too willing to risk American lives and to use our very effective military, but utterly unwilling to use tactics that might inconvenience corporations or our trading partners.

As to Korea, North Korea, that government relies on subsidized energy and other aid from the Chinese regime. The Chinese regime would prefer that North Korea abandon its nuclear weapons program, but is unwilling to do anything very substantive except hold talks, and we will talk, and we will talk, and we will talk until the mushroom cloud interrupts those talks, as Condoleezza Rice might say.

We have been unwilling to hint to China that just maybe a slight portion of their \$130 billion access to our markets might be imperiled for a day. As long as they insist on continuing to subsidize North Korea, we are willing to risk the lives of our troops, but not one container of tennis shoes.

Likewise when it comes to Iran. The Secretary of State sat where Secretary Bolton is sitting right now and told this Committee he would investigate the fact that we allow \$150 million of non-energy imports into this country from Iran, and yet it seems we are unwilling to tell American gourmets that they might have to make

due with Russian caviar. The caviar from Iran keeps coming here whether Iran develops nuclear weapons or not.

More economically significant, Japan was going to lend and invest \$2.8 billion in Iran. We objected. Then they sent 550,000 troops to Iraq. An Administration, a public and a press absolutely preoccupied with Iraq said oh, is that not wonderful? We are getting 550 troops. As a result, it appears as if the United States has given the green light to send \$2.8 billion to the nation who is most likely to be the culprit if a nuclear weapon is smuggled into the United States.

Secretary Bolton, I will be wanting to ask you about the quotation in the Kyoto World News Service quoting you as saying I am not concerned about the decision of Japan to send \$2.8 billion to this country that is developing nuclear weapons and, as I said, could very well smuggle them into American cities.

We can stop World Bank loans to Iran. We can stop this Japanese investment in Iran. We can enforce the I in ILSA with the same effectiveness as we have enforced the L in ILSA, the Iran-Libya Sanctions Act. Those sanctions were successful with Khaddafi. They can be successful with Tehran, but only if we are willing to risk our trade relationships with the same level of aggressiveness that we have risked American lives.

Until corporate power can be enlisted and corralled and told that sometimes there are more important things than profits, sometimes there are more important things than trade, we will continue to go day by day telling the world that America is safer because Saddam is not in power and having years go by while Iran and North Korea make further steps in developing nuclear weapons.

I yield back, and I thank the Chairman.

Chairman HYDE. The gentleman's time has expired.

There are two votes pending. The Committee will recess and resume following the second vote if the Members would return.

[Recess.]

Chairman HYDE. The Committee will come to order.

The Chair recognizes Ms. Ros-Lehtinen for an opening statement.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. I have a fuller version of my remarks that I would like to include in the record, but I would like to commend you, Mr. Chairman, and President Bush and his Administration for their commitment and their dedication to rid the world of threats posed by dictators such as Libya's Khaddafi.

Looking to our future relations with Libya, however, is the U.S. going to require continued U.S. verification and compliance beyond the removal of current equipment and material?

Unfortunately, Iran's actions and statements indicate that the regime in Tehran has failed to heed the lessons of Iraq and Libya and the contrasting responses from the United States to the two, so beyond reporting the Iran case to the U.N. Security Council, what is the overarching United States strategy with respect to Iran's proliferation efforts?

The Russian Minister of Atomic Energy continues to indicate that Russia may soon deliver thousands of fuel rods to the Iranian nuclear reactor. We are interested in knowing what we are doing

to ensure that the Russian Federation does not transfer this material.

I commend the Administration's efforts in imposing penalties on entities and individuals engaged in this illicit activity, so I would appreciate hearing the Under Secretary's views on the implementation of the Iran-Libya Sanctions Act that would deny Iraq the funds to pay for this threatening activity.

Turning to Syria, given reports about efforts by the Syria regime to enlist the assistance of Australia to intercede with the United States, does this indicate Syrian interest in following Libya's lead, and would we trust such an overture from the Syrian regime given its decades of manipulation of United States policy?

Turning to one more rogue state just 90 miles from our shores, I wanted to ask Under Secretary Bolton about the problems with existing intelligence reporting on Cuba. I notice in your written testimony you address these issues. I wanted to know if the intelligence community is addressing them and is coordinating.

Further, are Cuba's activities being evaluated within the context of the Cuba-Venezuela-Brazil access and within the growing operations of the Middle East terrorist groups that are operating in our own hemisphere?

Just in closing, Mr. Chairman, I would like to underscore my support for President Bush's counter proliferation initiatives and for Mr. Bolton's efforts in promoting and implementing this critical component of the President's vision of a more secure America and a more secure world.

I am interested in some of the details concerning the proposals to close loopholes in the NPT and about the U.N. Security Council resolutions given the negotiations between the three EU foreign ministers in Iran, negotiations which in my opinion undermined our efforts to sanction Iran for its breaches and non-compliance, and what steps are we taking to safeguard ourselves against countries clinging to the lowest common denominator rather than taking concrete steps to counter proliferation?

Mr. Bolton, welcome again to our Committee, and I thank you for your proud service to our country.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Ros-Lehtinen follows:]

PREPARED STATEMENT OF THE HONORABLE ILEANA ROS-LEHTINEN, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Thank you, Mr. Chairman, for the opportunity to raise issues of mutual interest and for holding this important and timely hearing.

I would first like to commend President Bush, Under Secretary Bolton, and the Bush Administration for their commitment and dedication to rid the world of threats posed by dictators such as Libya's Qaddafi.

Looking to our future relations with Libya, however, is the United States going to require continued U.S. verification and compliance beyond the removal of current equipment and material?

As the Libyan dictator noted when he announced Libya's decision to disarm and dismantle, Weapons of Mass Destruction (WMD) programs clearly "represent a danger to the country which has them."

Thus, U.S. policy and determination prompted Libya to modify its position regarding its weapons of mass destruction and missile programs.

The impact of our policies in *compelling* change and *detering future* efforts to develop nuclear weapons programs was noted by the Director General of the International Atomic Energy Agency, during an interview on March 18th of this year on

PBS' News Hour. When asked about the Iraq war and its effect on the Iranian regime, the IAEA Director General said:

"The Iraqi war had an impact, however, to make everybody understand that weapons of mass destruction could mean the difference between war and peace and, in that sense, it makes any move to be undeclared very, very difficult—countries have to weigh very carefully whether to go for an undeclared program."

However, Iran's actions and statements indicate that the regime in Tehran has failed to heed the lessons of Iraq and Libya, and the contrasting U.S. response to the two. Thus, beyond reporting the Iran case to the UN Security Council, what is the overarching U.S. strategy with respect to Iran's proliferation efforts?

Has Iran's nuclear program reached the point of no return, given the testing of an, albeit small, cascade of centrifuges and the presence of second-generation centrifuges; given the presence of multiple methods for the enrichment of uranium; given the discovery of polonium 210; and given the existence of nuclear related facilities at an air force base in Iran?

What is the threshold that Iran cannot be allowed to cross? Further, what steps are we considering to address dual-use concerns?

With respect to the provision of fuel to Iran and other pariah states seeking a nuclear weapons capability, what steps are we undertaking to ensure that spent fuel or other nuclear-related material is not given by Iran to terrorist groups to use as radiological weapons?

Within this context, the Russian Minister of Atomic Energy continues to indicate that Russia may soon deliver thousands of fuel rods to the Iranian nuclear reactor. What is the plan of action to ensure that the Russian Federation does not transfer this material?

Concerns about the transfer of equipment, technology, and other materials, and the trade routes and entities engaged in supplying proliferators, brings us to the issue of WMD *sanctions*.

I commend the Administration's efforts in imposing penalties on entities and individuals engaged in this illicit activity. However, I am interested in actions taken by us against countries and governments that, directly or indirectly, *previously* contributed to *Libya's* ability to develop WMD, and that *continue to assist* Iran, through investments and investment-related activities, in securing the necessary financial resources to pursue a nuclear, biological or chemical weapons program.

In this vein, I would welcome the Under Secretary's views on the implementation of the Iran-Libya Sanctions Act.

Given the aggressive economic policies of our European Union (EU) allies regarding Iran, implementation of ILSA coincides with the President's goals regarding the G-8 partnership to prevent WMD proliferation.

While on the subject of sanctions, I would like to turn to Syria and the implementation of the Syrian Accountability and Lebanese Sovereignty Restoration Act.

I am pleased to hear that the President is committed to full and vigorous enforcement of this Act but am curious to hear the Under Secretary's assessment of recent articles reporting that the Syrian regime is trying to enlist the assistance of Australia to intercede on their behalf with the United States.

Do you believe this indicates Syrian interest in following Libya's lead, or just an effort to avoid being sanctioned by the United States? Would we trust such an overture from the Syrian regime given its decades of manipulation of U.S. policy?

Turning from one rogue state, to another just 90 miles from our shores, I wanted to ask Under Secretary Bolton about the problems with existing intelligence reporting on Cuba that he notes in his written testimony, and if they have been addressed by the intelligence community?

Further, what steps are being undertaken to correct the manipulation of intelligence on Cuba's terrorism and WMD activities by Ana Belen Montes, the Senior DIA analyst caught spying for the Cuban regime? Have the analyses and assessments that Montes prepared been reviewed and rewritten?

Are Cuba's activities on both fronts being evaluated within the context of its relationships with Iran and Syria, for example; within the Cuba-Venezuela-Brazil axis; and within the growing operations of Middle East terrorist groups in the Western Hemisphere?

In closing, I would like to underscore my support for President Bush's Counterproliferation Initiatives and for your efforts in promoting and implementing this critical component of the President's vision for a more secure nation and global environment. I am particularly interested in some of the details concerning proposals to close loopholes in the Non-Proliferation Treaty (NPT) and about the UN Security Council Resolution. The Resolution contains important statements about preventing

WMD and missile proliferation, but I would like to focus on the proposed creation of a temporary committee to report on the implementation of the Resolution.

The Oil-for-Food program was supposed to be temporary, and it was not, and we have seen, in recent weeks, how easily it was manipulated for corrupt purposes and individual agendas.

Further, could you elaborate on the provision in the draft UN Security Council resolution, calling upon all states to promote dialogue and cooperation on non-proliferation?

Given the negotiations between the three EU foreign ministers and Iran-negotiations, which some of us believe undermined our efforts to sanction Iran for its breaches and non-compliance, what steps are we taking to safeguard against countries clinging to the lowest common denominator rather than taking concrete steps to counter proliferation?

I would, again, like to thank you for appearing before the Committee today and for your tireless efforts on these critical matters of national security.

Chairman HYDE. Thank you.

Mr. Ackerman?

Mr. ACKERMAN. Thank you very much, Mr. Chairman.

I would just like first to make a friendly amendment to the Chairman's opening statement concerning the statement that Libya is the only nation that turned over and closed down its nuclear program absent a regime change. I believe that the apartheid regime in South Africa abandoned, dismantled and destroyed their program absent a regime change and prior to leaving office after much pressure from the international community.

That being said, Secretary Bolton, I am truly astonished by Secretary Powell's announcement 2 weeks ago that the President would designate Pakistan as a major non-NATO ally. I have always recognized Pakistan's support for us in the war on terror and realize that President Musharraf has taken great risks to fight Al-Qaeda and the Taliban, but I think that the consistent waiver of our democracy-related sanctions against Pakistan and the provision of over \$2 billion in assistance in the last 2 years plus the President's request for another \$700 million to Pakistan for fiscal year 2005 clearly already demonstrates our great support.

What is truly amazing is that in addition to giving Pakistan a pass on democratic development, the Administration is also giving them a pass on proliferating nuclear technology. It is clear to me, and I think it should be clear to anyone else, that Pakistan sold nuclear technology and probably nuclear weapons designs to terrorist states, even those in the evil axis.

Is it not the Administration's view that one of the greatest threats to our national security is that terrorist organizations will acquire weapons of mass destruction to use against us, and would not one of the chief sources of such technology be by state sponsors of terror? Is this not why we went to war in Iraq?

But nary a word of condemnation has passed our collective lips when it comes to Pakistan's nuclear proliferation activities. Instead of getting to the bottom of A.Q. Khan's nefarious enterprise, the President proposes to make it easier for Pakistan to acquire sensitive United States technology.

Has Pakistan not already demonstrated that they cannot control their own technology, let alone ours? This double standard with regard to Pakistan makes a mockery of our nonproliferation efforts around the world.

Mr. Chairman, I have introduced legislation that would change the way the President can designate major non-NATO allies by re-

quiring that he certify that the designee is a democracy and that the country participates with the United States in specified international agreements or arrangements that restrict the export of chemical, biological, nuclear and other weapons, delivery systems and related dual use components, and I would urge our colleagues to take a look and see if they would be willing to co-sponsor that bill.

I do have a series of questions, and I will wait for the appropriate time and look forward to hearing from Secretary Bolton, who is to be praised for his exemplary public service.

Chairman HYDE. Thank you, Mr. Ackerman.

Without objection, Ms. Berkley's full statement will be made a part of the record.

[The prepared statement of Ms. Berkley follows:]

PREPARED STATEMENT OF THE HONORABLE SHELLEY BERKLEY, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEVADA

Today, America finds itself at a crossroads. While we have enjoyed success in Libya and have, to some degree, curtailed the spread of nuclear weapons, much work remains to be done. Recent reports indicate that Iran and North Korea are extremely close to developing nuclear weapons. The looming threat that a terrorist organization might acquire weapons of mass destruction is only heightened by the tragic events of 9-11. There are also concerns that radical activists might encourage proliferation in other regions.

The United States has always been a leader in worldwide efforts to prevent the spread of nuclear weapons. In recent years, this effort has grown to encompass terrorist organizations. Efforts must be made to not only prevent terrorists from acquiring these weapons, but to prevent organizations engaged in terrorism from acquiring the materials to craft them. The breadth of information readily available in open sources, coupled with often unpaid and unemployed engineering talent, take the homemade manufacturing of these weapons out of the realm of science-fiction. Threats that were unimaginable a few short years ago, such as a "dirty-bomb" or "suitcase-nuke," are now very real and must be addressed.

In recent years, black market dealing in the equipment and expertise relating to nuclear weapons has increased dramatically. These dealers are motivated as much by fanaticism as by greed. Many have found financing and customers in regimes not friendly to the United States—the same regimes that support and harbor known terrorists. Recent press reports have indicated that Pakistan's nuclear weapons program was partly financed by Iran, Libya and Saudi Arabia. These reports further indicated that Iran and Libya received assistance for their nuclear programs from Pakistani officials. Abdul Qadeer Khan, known as the father of Pakistan's nuclear weapons program, leads what has been reported as an extensive network for the proliferation of nuclear technology and information. Despite this, Mr. Khan was on the payroll of the Pakistani government.

In his speech last month at the National Defense University, President Bush admitted that A. Q. Khan sold blueprints for centrifuges—used to enrich uranium—as well as a nuclear design stolen from Pakistan. Saudi Prince Sultan visited Pakistani nuclear installations in 1999 and was thanked by A. Q. Khan—who confessed to supplying nuclear weapons technology to Iran, Libya and North Korea—in a speech for Saudi support for Pakistan's program.

The President recently outlined "seven proposals to strengthen the world's efforts to stop the spread of deadly weapons." However, these proposals, which took 3 years in the making, are vague and non-specific. They do not answer the new and emerging threats that we have all agreed need to be addressed and do nothing to directly address Iran and North Korea.

I am anxious to hear more specificity from the administration in how it plans to address the spread of nuclear weapons.

Chairman HYDE. I would suggest to my good friend, Mr. Ackerman, that South Africa involved a regime change. Libya did not. That is the essential difference.

Mr. ACKERMAN. If I might, Mr. Chairman, not wanting to bicker certainly with the Chairman, but the dissolution of the nuclear pro-

gram and the destruction thereof took place before the regime actually did change because the apartheid government did not want to turn their nuclear program over to those people that were going to run their own country.

Chairman HYDE. We will take this up on the History Channel.

Mr. DELAHUNT. I would like to confirm Mr. Ackerman's version.

Chairman HYDE. Mr. Delahunt is confirming Mr. Ackerman. What a surprise. [Laughter.]

Mr. DELAHUNT. I hope it is a pleasant surprise.

Chairman HYDE. Always pleasant.

There being no further opening statements, we shall introduce our first witness. I would like to welcome Under Secretary John Bolton, who was sworn in as Under Secretary of State for Arms Control and International Security on May 11, 2001.

Prior to his appointment, he was Senior Vice President of the American Enterprise Institute, and his record includes service as Assistant Secretary for International Organization Affairs at the Department of State; Assistant Attorney General at the Department of Justice; and Assistant Administrator for Program and Policy Coordination at the U.S. Agency for International Development.

We are honored to have you appear before the Committee today. Mr. Secretary, if you would proceed with a 5-minute summary? The full statement that you have produced will be made a part of the record.

Secretary Bolton?

STATEMENT OF THE HONORABLE JOHN R. BOLTON, UNDER SECRETARY FOR ARMS CONTROL AND INTERNATIONAL SECURITY, U.S. DEPARTMENT OF STATE

Mr. BOLTON. Thank you very much, Mr. Chairman. It is a pleasure to appear before the Committee today.

I would like to start with a discussion of Libya because it is rare in international affairs that you have in effect a controlled experiment, the ability to look at the application of particular policies and to discern results from those policies in as clear a fashion as we have recently seen with Libya.

Libya has made a strategic decision that its pursuit of nuclear weapons, chemical weapons and other weapons of mass destruction over the years in fact had made it less secure, not more secure, and the Libyan Government concluded that its long-term future was going to depend on its renunciation of its pursuit of weapons of mass destruction and long range ballistic missiles and made a cold national interest calculation, but it made a calculation that came to the right conclusion, and that was the renunciation of these programs.

Last year, shortly before the commencement of hostilities in Iraq, the Government of Libya approached the Government of the United Kingdom to ask about the possibility of pursuing this approach. That was the first major occasion on which the Libyans entered into discussion with us on that subject with a seriousness not previously attendant to other conversations they had had.

The second major development last year occurred shortly after the diversion of the ship, the BBC China, which was carrying nuclear centrifuge equipment bound for Tripoli. Up until that time,

the Libyan Government had not engaged in a serious conversation about the importance of verifying exactly what their WMD programs involved, but when it became apparent to the Government of Libya that that ship was not going to dock and that that equipment was not going to be offloaded, discussion on what became a very extensive series of inspections and visits by intelligence officials from the Governments of the United Kingdom and the United States proceeded.

The third major event in the sequence last year was the resolution of the final issues before the announcements by the Governments of the U.K., the United States and Libya on December 19, discussions that speeded up dramatically after Saddam Hussein was captured in Iraq.

The chronology is very clear, I think. First, the impending onset of hostilities in Iraq brought the Libyans to the table. Second, the diversion and unloading of the equipment from the BBC China brought the necessary transparency to the Libyan program, and, third, the capture of Saddam Hussein brought the discussions to fruition.

I think the actions of the Government of Libya provide a very clear example to other rogue states like North Korea and Iran about how a country can give up its weapons of mass destruction without regime change in a manner that gives international confidence that they are serious about what they are doing.

Now, the course of the events in Libya relate very closely to two other major accomplishments. The first was the work of American and other intelligence agencies in the careful observation over the years of the A.Q. Khan network, something that engaged officials of the Bush Administration at the very highest level on a real time basis again and again and again.

The work of our intelligence agencies that President Bush laid out in quite unprecedented detail I think in his recent speech at the National Defense University is a triumph of American intelligence and of some of our close allies, reflecting great ingenuity on the part of the intelligence community and great bravery at times.

The work that is going on to continue the unraveling of the Khan network and learning additional information is proceeding even as we speak, obviously a matter of great sensitivity, but I think that the impact of what the Administration and the United Kingdom and others have done to the Khan network will have a dramatic impact on the international black market in WMD trafficking.

It certainly will not resolve the problem entirely. The problem is too grave, too keen, too widespread, but I think that it shows that with diligence and with effort and with persistence we have an outstanding clandestine capability to use in this struggle.

The success in Libya also relates directly to the President's proliferation security initiative announced last year in May in Krakow, Poland. It was in fact through the use of the recently developed PSI channels and using longstanding liaison relationships that we were able to involve the governments of Italy and Germany and the United Kingdom for the successful diversion of that shipment, and it really reflects the achievement of several PSI goals.

First, the clear interdiction of a WMD related shipment, but, second, the broader political implications that we hope that will flow

from PSI at work, the dissuasion effect that it manifestly had on the Government of Libya, and we hope that the deterrent effect that this very dramatic interdiction will have on the calculations of other rogue states that are pursuing weapons of mass destruction.

As I say, the example of Libya really gives us a dramatic contrast to the behavior of two other rogue states in particular, Iran and the DPRK, who at this point manifestly have not made the strategic decision to give up their pursuit of weapons of mass destruction.

In my testimony, I lay out in some detail in the case of Iran the program of denial and deception that the Iranians have pursued over the years, all of which is now fully documented not just by our say so, but in the reports of the International Atomic Energy Agency.

We continue to pursue diplomatic efforts on Iran with the Europeans, with the Russians, with the Japanese, as we continue to pursue, as in the case of North Korea, the six party talks hosted by China. This is part of an effort by President Bush to seek a multilateral, peaceful, diplomatic solution to the North Koreans' unrelenting pursuit of a nuclear weapons capability and is a diplomatic initiative that we continue even as we speak here today.

In addition to the pursuit of the particular programs of rogue states—Syria, Cuba, others—the President in his speech at the National Defense University laid out a broader framework that we need to pursue, building on some of his existing initiatives and proposing additions as well.

He proposed expanding the proliferation security initiative, even though it is less than a year old, to go beyond interdiction and to seek the disruption of the WMD financial networks, their laboratories, their production facilities, in addition to simply stopping shipments.

He proposed the expansion of the global partnership against the proliferation of weapons of mass destruction and WMD related materials that the G-8 leaders adopted at Kananaskis, Canada 2 years ago. The proposed expansion is to bring in additional donors and to expand the focus of that program beyond the former Soviet Union to pick up the problem of weapons scientists in countries like Libya and Iraq.

The President proposed closing the grievous loopholes in the nuclear nonproliferation regime to prevent technologies of uranium enrichment and plutonium reprocessing and other sophisticated technologies from getting into the hands of countries that would not use them for peaceful purposes.

He proposed far reaching reforms in IAEA governance to strengthen the hand of the IAEA in its work in the NPT regime, and he proposed in his NDU speech concluding the work that he had begun in his speech to the General Assembly last fall to get an effective Security Council resolution to require member governments to increase the efficacy of their own national controls against trafficking in WMD.

This is in fact a very ambitious agenda. It is one that requires broad support here in the Congress, and certainly we see that support.

I am happy to address your questions, Mr. Chairman, or the questions of anyone on the Committee.

[The prepared statement of Mr. Bolton follows:]

PREPARED STATEMENT OF THE HONORABLE JOHN R. BOLTON, UNDER SECRETARY FOR ARMS CONTROL AND INTERNATIONAL SECURITY, U.S. DEPARTMENT OF STATE

Thank you, Mr. Chairman, for the opportunity to testify today before this Committee to discuss what the Bush Administration is doing to keep our country and our friends and allies safe from the threat of weapons of mass destruction. President Bush has stressed repeatedly that “the greatest threat before humanity today is the possibility of secret and sudden attack with chemical or biological or nuclear weapons.” We take this threat very seriously, and are working diligently to protect the American people from it.

WHY OUSTING SADDAM HUSSEIN BOLSTERED INTERNATIONAL SECURITY

Until the U.S.-led Coalition took action last year, the world faced a serious security threat with Saddam Hussein in power in Iraq. Here was a dictator who had used chemical weapons against his own people and against his neighbors, had defied more than a dozen Security Council resolutions, had ambitions to reconstitute his weapons arsenal, had obstructed and deceived international inspectors for the better part of twelve years and did so to the end of his regime, had twice invaded neighboring countries, and who had harbored and supported terrorist groups. Eliminating his dictatorial regime, while far from solving all of Iraq’s or the region’s problems, has nonetheless manifestly made the region and the world safer and more secure.

Much has been made of the fact that the United States has not yet found chemical or biological weapons in Iraq. Sadly, however, there has been inadequate attention to what has been found, evidence of significant and dangerous WMD programs that I believe clearly justified Operation Iraqi Freedom. David Kay last fall testified to the House Permanent Committee on Intelligence (“HPSCI”) that Iraq’s WMD programs spanned more than two decades, involved thousands of people and billions of dollars, and were elaborately shielded by security and deception operations that continued even beyond the end of the major combat-phase of Operation Iraqi Freedom. The discoveries Kay reported to HPSCI included:

- Dozens of WMD-related program activities and significant amounts of equipment that Iraq had concealed from the United Nations during the inspections that began in late 2002;
- A prison laboratory complex that may have been used for human testing of BW agents;
- New research on BW-applicable agents, including Brucella, Congo Crimean Hemorrhagic Fever, and research on aflatoxin and ricin that was not reported to the UN;
- Plans and advanced design work for new long-range missiles with ranges up to at least 1,000 kilometers—well beyond the 150 kilometer range limit imposed by the UN; and
- Interest in acquiring from North Korea technology for even longer range missiles.

In particular, Saddam Hussein’s aggressive missile program begs two important questions: What was the purpose of these missiles? Were WMD payloads planned for them?

CIA Director George Tenet’s provisional bottom line in his Georgetown University speech was that although Iraq was not in possession of a nuclear weapon, Saddam Hussein still wanted one, and Iraq intended to reconstitute a nuclear program at some point. I believe this is consistent with a statement Hussein made in September 2000 calling on his “nuclear mujahedin,” Iraq’s nuclear scientists, to “defeat the enemy.”

He noted that a senior Iraqi official confirmed that Iraq had misled inspectors about two groups that were working on a number of unmanned aerial vehicle (“UAV”) designs. Some UAV programs, in the past, had likely been intended to deliver biological weapons. Although Tenet conceded that the jury is still out on whether Iraq intended to use its newer, smaller Unmanned Aerial Vehicles to deliver biological weapons, he also stated that a senior Iraqi official admitted that their two large Unmanned Aerial Vehicles—one developed in the early 90s and the other under development until late 2000—were intended for delivery of biological weapons. Tenet noted that Saddam Hussein had dual-use facilities that could quick-

ly produce biological agents and provisionally concluded that Saddam Hussein had the capability and the intent to quickly convert civilian industry to chemical weapons production.

To date, we have not found post-1991 chemical and biological weapon stockpiles and there are numerous outstanding questions raised by UNSCOM about Iraq's WMD program. Some of these questions, reported in UNSCOM's final comprehensive report in January 1999, include:

- Iraq claimed it had "lost" 550 mustard-gas filled artillery shells.
- The mustard in the few CW artillery shells found by the UN was of very high purity.
- UNSCOM could not verify how much VX Iraq had produced but Iraq claimed it had produced 3.9 tons. Although Iraq denied it had weaponized VX, UNSCOM together with a panel of international experts found chemical evidence to the contrary.
- Concerning biological weapons, the UNSCOM report stated, "For half of the eight-year period of the relationship between Iraq and the Special Commission, Iraq declared that it had no biological weapons program. When that claim was no longer tenable, Iraq provided a series of disclosure statements all of which have been found by international experts, on multiple occasions, to be neither credible nor verifiable."
- Importantly, UNSCOM documented that Iraq's deceptions, which UNSCOM called a concealment effort, continued well into the mid-1990s and was never able to confirm that they had ended.

Some have said that not finding WMD in Iraq—to date—proves that Saddam was not an imminent threat, and that, therefore, our Coalition military action was not justified. These criticisms miss the mark. Saddam's continued defiance of UN resolutions requiring Iraq to disarm and his continued interest in developing weapons of mass destruction justified coalition action. Our concern was not the imminence of Saddam's threat, but the very existence of his regime, given its heinous and undeniable record, capabilities, and intentions. President Bush made this point forcefully in his 2003 State of the Union address:

"Some have said we must not act until the threat is imminent. Since when have terrorists and tyrants announced their intentions, politely putting us on notice before they strike? If this threat is permitted to fully and suddenly emerge, all actions, all words, and all recriminations would come too late. Trusting in the sanity and restraint of Saddam Hussein is not a strategy, and it is not an option."

David Kay has said that because of the fact that Iraqi officials clearly had acquired WMD know-how and were in contact with terrorist organizations, and because Saddam clearly was growing increasingly desperate and losing control over his regime, Iraq in many ways was an even greater threat than before:

"I quite frankly think we were on the verge of Iraq becoming more dangerous as it decayed into this storehouse of huge amounts of military equipment, including WMD capability and technology, just at the time that other groups and countries were seeking that. . . . I think, if Saddam had remained in power and this regime continued to crumble, you could have gone there and got it [WMD] in one-stop shopping. And people would have sold it, not fearful of a Saddam regime that would have kept them from it. He was less and less in control of it. So I think by removing that, we've removed that threat. That doesn't make the world safer completely, but it does take one major threat down."

We acted in Iraq because we were not willing to trust our security, and the security of our friends and allies, to the supposed restraint and circumspection of a dictator committed to acquiring deadly weapons of mass destruction, a history of using chemical weapons, and a twelve-year track record of defiance. The risks of continued inaction were simply too high. As President Bush said in his speech earlier this month to U.S. military personnel at Fort Campbell, Kentucky, "my administration looked at the intelligence, and we saw a threat. Members of Congress looked at the intelligence, and they saw a threat. The United Nations Security Council looked at the intelligence, and it saw a threat. The President concluded, "I had a choice to make, either take the word of a madman, or take such threats seriously and defend America. Faced with that choice, I will defend America every time."

Kenneth Pollack, a former staff member of the Clinton National Security Council (NSC), now at the Brookings Institution, well summarized how the evidence of Iraq's WMD program was widely seen as compelling before the war. He wrote in

a February 2004 article in *The Atlantic* that “[s]omewhat remarkably, given how adamantly Germany would oppose the war, the German Federal Intelligence Service held the bleakest view of all, arguing that Iraq might be able to build a nuclear weapon within three years. Israel, Russia, Britain, China, and even France held positions similar to that of the United States; France’s President Jacques Chirac told *Time* magazine last February, ‘[t]here is a problem—the probable possession of weapons of mass destruction by an uncontrollable country, Iraq. The international community is right . . . in having decided Iraq should be disarmed.’ In sum, no one doubted that Iraq had weapons of mass destruction.” Pollack also observed that despite the criticism of the 2002 National Intelligence Estimate on Iraq, “the report accurately reflected what intelligence analysts had been telling Clinton Administration officials like me for years in verbal briefings.” People may have disagreed about what to do about the Iraqi threat, but there was unanimity on the dangers of the Saddam regime.

When we think about Operation Iraqi Freedom, it is important to remember that it was Saddam Hussein who was defying the international community and violating UN Security Council resolutions that required him to disarm and cooperate with UN inspectors. Iraq harassed inspectors and concealed its WMD/missile programs in direct violation of UN Security Council Resolution 687. Saddam wasted untold billions building “presidential palaces” that he declared “off limits” to UN inspectors, rather than buying food at a time that Iraq was spending less on food than the UN recommended. Operation Iraqi Freedom was amply justified by Saddam’s behavior and his calculation that he could flout the UN Security Council and the United States and not be held accountable. He was wrong.

LIBYA

We face significant challenges in other parts of the world from terrorist-sponsoring regimes that are developing weapons of mass destruction in many forms. Rogue states whose pursuit of weapons of mass destruction, reckless behavior, and repressive ideologies make them hostile to U.S. interests, will learn that their covert programs will not escape either detection or consequences. The government of Libya came to this conclusion in early 2003 as the United States was preparing to go to war with Iraq. And while we will pursue diplomatic solutions whenever possible, as in the case of Libya, the United States and its allies must be willing to deploy more robust techniques, such as the interdiction and seizure of illicit goods, the disruption of procurement networks, the imposition of sanctions, or other means. If rogue states are not willing to follow the logic of nonproliferation norms, they must be prepared to face the logic of adverse consequences. It is why we repeatedly caution that no option is off the table.

On December 19, 2003, Libya announced that it would voluntarily rid itself of its WMD equipment and programs. Libya also declared that it had “decided to restrict itself to missiles with a range that complies with the standards of the Missile Technology Control Regime.” Libya declared its intention to comply in full with the Nuclear Non-Proliferation Treaty (“NPT”) and the Biological Weapons Convention (“BWC”), and that it intended to sign the International Atomic Energy Agency (IAEA) Additional Protocol and accede to the Chemical Weapons Convention (“CWC”). All of these remarkable steps, Libya announced, would be undertaken “in a transparent way that could be proved, including accepting immediate international inspection.”

Libya appears to be living up to these commitments. In cooperation with the United States, the United Kingdom, and the IAEA, Libya has dismantled its declared nuclear weapons program. Libya has destroyed more than 3,000 unfilled chemical munitions. They are planning to destroy their stockpile of approximately 23 tons of sulfur mustard gas under the supervision of the Organization of the Prohibition of Chemical Weapons, (“OPCW”) which would have gone into those bombs. The declared SCUD-C missile program has been removed. Within the last few months, with Libya’s cooperation, the United States and the United Kingdom removed:

- Nuclear weapon design documents;
- Gas Centrifuge components designed to enrich uranium;
- Containers of uranium hexafluoride (UF6);
- Five Scud C-s, two other partial missiles and related equipment; and
- Approximately 15 kilograms of fresh high-enriched uranium reactor fuel that was removed by Russia with U.S. and IAEA support

This month, Libya submitted its first declaration under the CWC, and signed its IAEA Additional Protocol in Vienna. Questions still remain regarding certain aspects of Libya's WMD programs, and long-term verification issues also remain open, but we are working with Libya to resolve these questions as quickly as possible.

There has been much speculation about Libya's reasons for making this historic decision. Here are the facts: In March 2003, as we were preparing to invade Iraq, Libya approached the United Kingdom seeking to discuss its WMD program with the United States and the United Kingdom. In October, as we and our allies stopped a large shipment to Libya that would have advanced their uranium enrichment effort, Libya agreed to allow visits by U.S. and UK teams. Finally, in December 2003, Libya announced that it would voluntarily rid itself of its WMD equipment and programs. I believe the conclusion is obvious. As Col. Qaddafi himself put it, weapons of mass destruction now clearly "represents a danger to the country which has them."

IRAN

Libya recognized that the United States and the international community would not tolerate their development of nuclear weapons. Iran has not. But our resolve on the continuing threat posed by Iran's nuclear weapons program has brought this issue to the attention of the world.

Although Iran has robust BW, CW, and missile programs, today I will focus just on its nuclear weapons efforts. The United States has worked hard over the last three years to garner international support to require Iran to admit and to end its almost twenty-year-long covert nuclear weapons program. That Iran has such a program is the inescapable conclusion not just of our intelligence findings, but of four reports by the IAEA Director General that disclose Iran's repeated failure to abide by its safeguards obligations and Tehran's two-decades long record of obfuscation and deceit vis-a-vis the IAEA. All four IAEA reports are now on the public record.

Despite strong actions taken by the IAEA Board of Governors over the past year, there is no reason to believe that Iran has made a strategic decision to abandon its nuclear weapons program. The recent discovery of Iran's development and testing of uranium enrichment centrifuges of an advanced design is a clear indicator that Iran continues its quest for nuclear weapons. Following an all-too-familiar pattern, Iran omitted this information from its October, 2003 declaration to the IAEA—a declaration that Tehran maintained was the "full scope of Iranian nuclear activities" and a "complete centrifuge R&D chronology."

Iran's known civil nuclear power program currently consists of a single nuclear reactor under construction by Russia at Bushehr. Over the past three years, President Bush and his Administration have had intensive discussions with Russian authorities, from President Putin on down, on the threat posed by the Iranian nuclear weapons program. Russian leaders have repeatedly assured us that they will not supply fuel for the Bushehr reactor until agreement is reached with Iran to return all spent fuel to Russia, the subject of difficult and protracted negotiations that are not complete. The Russian government won't ship the initial fuel load for the Bushehr reactor before next year, with the commissioning of the reactor well after that. These delays and postponements are significant, and we intend to continue to work closely with Russia on Bushehr.

Iran's ambitious nuclear reactor program is a remarkable venture for a country whose oil and gas reserves will last several hundred years at current extraction rates. In my testimony on June 4, 2003, I displayed charts showing that Iran's uranium resources are so small that nuclear power cannot materially increase exports of Iran's vast oil and gas resources. There is no conceivable economic justification for Iran to build costly nuclear fuel cycle facilities to support this small "nuclear power" program. We can only conclude that the primary role of this program is to serve as a cover and a pretext for the import of nuclear technology and expertise that can be used to support nuclear weapons development.

Iran has embarked, moreover, on a massive and, until recently revealed, largely clandestine effort to put in place all the elements of a nuclear fuel cycle. Iran is developing a uranium mine—after receiving IAEA assistance in uranium prospecting—and is constructing a facility for conversion of yellowcake into other uranium compounds, including uranium hexafluoride and uranium metal. Uranium hexafluoride is the feedstock for the centrifuge enrichment process. Uranium metal is the feedstock for the laser enrichment process, and also has important nuclear weapons applications.

Iran has pursued two separate approaches to uranium enrichment. It has established a number of workshops for the manufacture and testing of centrifuge components (most of which, according to a recent IAEA report, are owned by military-in-

dustrial organizations), a pilot enrichment facility designed for 1,000 centrifuges, and a large, partially underground facility at Natanz intended to house up to 50,000 centrifuges. In parallel, Iran has pursued another program to enrich uranium with lasers, a complex and difficult technology few countries have mastered. Laser technology is not used commercially for uranium enrichment even in the most advanced countries because it is considered uneconomical in commercial applications. Both of these programs were covert until their existence was publicly disclosed by an Iranian opposition group.

In addition to this effort to produce enriched uranium, Iran also has a program to produce plutonium, which represents an alternate path to nuclear weapons. Iran is building a large heavy-water production plant, which was also covert until disclosed by an Iranian opposition group in 2002. Its purpose is to supply heavy water for a "research reactor" that Iran plans to begin constructing this year. The technical characteristics of this heavy water moderated "research reactor" Iran plans to build are well-suited for producing weapons-grade plutonium. Not by coincidence, Iran was also forced to admit earlier this year that it had secretly conducted experiments in plutonium reprocessing that involved uranium "targets" irradiated at the Tehran research reactor. Iran is also pursuing a reprocessing capability, a necessary step to separate plutonium from irradiated fuel.

Another potential source of plutonium for weapons is the Bushehr reactor. That reactor is under IAEA safeguards, and Iran and Russia are discussing an agreement to return spent fuel to Russia, but if Iran should withdraw from the Nonproliferation Treaty after three years of operations, the reactor and spent fuel would contain enough plutonium for dozens of nuclear weapons.

There can be no economic reason for such a massive investment in facilities encompassing all aspects of the nuclear fuel cycle other than to produce fissile materials for nuclear weapons.

Another unmistakable indicator of Iran's intentions is the pattern of repeatedly lying to and providing false reports to the IAEA. The IAEA Director General has reported on several such instances, including some where Iran had to change its story after being confronted with evidence by the IAEA that it had not been truthful in its disclosures. Recent press reports suggest that Iran's nuclear denial and deception efforts continue and are very elaborate.

Despite Iran's massive deception and denial campaign, the IAEA has uncovered a large amount of information indicating numerous major violations of Iran's treaty obligations under the NPT and its IAEA Safeguards Agreement. The list of serious violations discovered by the IAEA increased over the last few months and the results of several 2004 IAEA inspections of Iranian facilities have not yet been reported to IAEA member governments. To date, violations cited by the IAEA include:

- Iran denied testing centrifuges with uranium, denied the existence of a laser enrichment program, and denied producing enriched uranium. In each of these cases, Iran later backtracked and confessed the truth only when confronted with irrefutable technical evidence from IAEA inspections.
- Iran failed to report the production of plutonium by covertly introducing uranium targets into the safeguarded Tehran Research Reactor;
- Iran reprocessed irradiated targets to separate plutonium;
- Iran failed to report the use of imported uranium hexafluoride for testing centrifuges and producing enriched uranium;
- Iran failed to report the use of imported uranium metal for laser enrichment experiments, including producing enriched uranium;
- Iran failed to report the production of uranium hexafluoride and other uranium compounds;
- Iran failed to provide required information about centrifuge, laser, and uranium conversion facilities;
- The discovery by the IAEA of irradiation of bismuth in the Tehran research reactor to produce polonium-210, an isotope that could be used in conjunction with beryllium, as a neutron initiator in some designs of nuclear weapons; .
- On at least one occasion, moreover, after IAEA inspectors asked to visit a suspect facility at which it turned out centrifuges had secretly been operated, Iran delayed the visit for months while the interior of the entire facility was torn out, repainted, and tiled over in an effort to defeat IAEA testing for radioactive particles.

On the basis of the evidence collected by IAEA inspectors and exhaustively documented in his reports, the Director General concluded in his November 20, 2003 report to the Board of Governors that, "it is clear that Iran has failed in a number

of instances over an extended period of time to meet its obligations under its Safeguards Agreement. . . .”

The international community has reacted strongly to the revelations contained in the Director General’s reports. The IAEA Board of Governors’ most recent resolution, adopted on March 13, “deplores” the omission of advanced P-2 uranium enrichment centrifuge development and testing from Iran’s October, 2003 submission to the IAEA, a declaration that was supposed to be the correct, complete, and final story of Iran’s past and present nuclear activities.

Nonetheless, Iran has repeatedly sought to “close the file” at the IAEA, and get out from under the international spotlight. Iran seems determined to pursue its nuclear weapons program in an undisturbed and clandestine fashion, and so that it can more easily obtain critical nuclear technology that it needs for its weapons program. An important feature of the March 13 IAEA resolution, however, is precisely that it does not “close the file” on the problems that have been uncovered to date in Iran. Instead the resolution decides that the next meeting of the Board of Governors in June will consider the omissions already uncovered, in addition to whatever is contained in the next report of the Director General, or whatever other information becomes public by then.

The IAEA statute requires that non-compliance with safeguards obligations be reported to the United Nations Security Council. In the U.S. view, this standard was clearly met as early as June of last year: Iranian noncompliance with safeguards obligations has been manifest for many months, and both the Board and the Director General have noted Iran’s multiple breaches and failures in this regard. We did not press for such a report at the recent March meeting, in part because the Board had considerable work to do on Libya, including a report to the Council on Libya’s non-compliance and its voluntary decision to eliminate all elements of its nuclear weapons program. The Board’s handling of the Libya issues sets an important contemporary precedent for the responsible handling of nuclear weapons programs that violate the NPT. Similarly, the IAEA Board will at some point, in order to uphold the effectiveness and credibility of the entire NPT regime, need to fulfill its responsibility under the IAEA Statute to report the safeguards failures found in Iran to the UN Security Council. If Iran continues its unwillingness to comply with its NPT and IAEA obligations, the Council can then take up this issue as a threat to international peace and security. If the Security Council is unable to do so, it will not only be a blow to our efforts to hold Iran accountable, but also a blow to the Council itself.

Prior to the November, 2003 meeting of the IAEA Board, the Foreign Ministers of the United Kingdom, France, and Germany went to Tehran. The result was a publicly agreed to statement committing Iran to suspend uranium enrichment activities, as defined by the IAEA, something the IAEA Board had already called for in its September 2003 resolution. The same parties reached a further elaboration of this agreement just prior to the March Board. The revelations in the Director General’s most recent report in February that the production of centrifuge components had not stopped in Iran, and that IAEA inspectors uncovered undisclosed work on a more advanced centrifuge design months after Iran’s commitment to suspend all of its enrichment activities and provide a full accounting of its nuclear program, raise serious doubts about Iran’s commitments to the Europeans. If Iran has followed through on these commitments, why did it postpone inspections scheduled for earlier this month? Was it afraid of what they would find? Repeated public statements by senior Iranian officials that the suspension of enrichment activities is only temporary, and that their enrichment program will resume once the issues with the IAEA are resolved, raise further questions whether the undertakings between Iran and the Europeans are having the intended effect of turning Iran away from its nuclear weapons effort.

For example, Supreme Leader Ali Khamenei said on November 2 that Iran would not “give up” enrichment “at any price.” Hasan Rowhani, the head of Iran’s Supreme National Security Council, has been consistent and explicit that the suspension of enrichment is temporary, stating on November 29, 2003, that “a permanent suspension has never been an issue and will never be,” and as recently as March 7, 2004, that “there is nothing permanent . . . when to resume is in the hands of our system.” He has been equally clear Iran expects European cooperation and support while retaining the right to continue its nuclear program. “Iran will not accept restrictions on its peaceful nuclear program,” he said on January 22 in Paris, and continued that, “Iran expects its European friends to honor their commitments.” Rowhani has been remarkably candid on Iran’s goals and intentions—to get out from under the scrutiny of the IAEA and press on with its nuclear program. He said on March 7, on the eve of the IAEA Board meeting, that Iran had two goals: “We must arrive at a stage where the Board of Governors totally close the file and list

of concerns on the Iranian nuclear program,” and “the international community has to accept Iran in the world nuclear club.”

The Iranian nuclear weapons program, compounded by the Iranian effort to develop long-range missiles, is one of the most serious proliferation challenges we face today. It is clear that Iran draws from many of the same networks that supplied Libya with nuclear technology, components, and materials, including the A.Q. Khan black market network. Destroying this network is a priority objective of the United States.

Our strategy is to use bilateral and multilateral pressure, and to secure international consensus against Iran’s pursuit of enrichment and reprocessing capabilities. If Iran does not comply with its NPT and IAEA obligations, the IAEA Board of Governors must do its duty and—based on the facts already reported by the Director General, along with whatever else he reports and other public information—report to the Security Council Iran’s noncompliance with its NPT safeguards obligations. If that occurs, we expect the Security Council would then call on Iran to comply with IAEA demands, and would use its authority to reinforce the IAEA’s efforts.

NORTH KOREA

Ensuring a Korean peninsula free of nuclear weapons remains a central Bush Administration focus. The quickest and easiest route to achieving this goal would be for North Korea to make the same historic decision that Libya made, and abandon the pursuit of WMD in a verifiable way. North Korea should take note that Libya opened itself up voluntarily to full transparency about its weapons programs, and that, with continued cooperation with the United States and the United Kingdom, a completely transformed relationship with the United States may be possible.

Absent a Libya scenario, we believe that the best way to achieve our goal of a nuclear-free Korean Peninsula is through the Six-Party Talks. But let me be clear—the Six-Party Talks are a means to an end. We are not talking simply for the sake of talking. As Secretary Powell has stated, we want and expect “tangible” progress and results, which will serve the national security goals of the United States, and which coincide with those of North Korea’s neighbors. Nonetheless, the dangers presented by North Korea’s ongoing nuclear weapons program—not to mention risk that Pyongyang might export nuclear expertise, technology, fissile material, or even transfer nuclear weapons, which they have threatened to do—are too serious to ignore.

The greatest obstacle to a successful conclusion for the Six-Party Talks remains North Korea’s unwillingness to date to address the problem honestly. The DPRK dictatorship contends that the lack of progress in the Six-Party Talks is because the U.S. refuses to abandon its “hostile” policy. It cites the presence of U.S. troops in South Korea and activities such as the Proliferation Security Initiative as examples of this “hostile” policy. As for the presence of U.S. troops in South Korea, they are there because both the United States and South Korea want them there to deter North Korean aggression. Moreover, Pyongyang’s criticism of the Proliferation Security Initiative is akin to drug lords complaining about drug laws. If North Korea has a problem with the Proliferation Security Initiative, there is an easy solution—get out of the proliferation business. It is time for North Korea to embrace the principles of the free market in industries besides weapons of terror and illegal narcotics.

The real obstacle to progress in the Six-Party Talks remains North Korea’s unwillingness to commit to the complete, verifiable, and irreversible dismantlement of its nuclear programs. Setting aside the crucial issue of verification for a moment, let me discuss what the United States and our allies mean when we talk about the complete and irreversible dismantlement of the North’s nuclear weapons program.

In order for dismantlement to be “complete,” North Korea must give up not only all elements of its path to nuclear weapons based on the reprocessing of plutonium, but also its nuclear weapons path based on highly-enriched uranium. And, in order to ensure that the world will not continue to be at risk from the threat of the DPRK’s ongoing nuclear-weapons activities, this dismantlement must be “irreversible,” which will require North Korea to abandon both its so-called “civil” and “peaceful” nuclear programs and permit the removal of all critical items.

North Korea also does not accept our definition of “irreversible.” In December and January, Pyongyang offered some indication through public pronouncements that it would be willing to “freeze” its plutonium program, including the five-megawatt reactor at Yongbyon. This was only a freeze, mind you, which would, by definition, be neither complete nor irreversible, but North Korea wasn’t willing to stick with even this tepid promise. At the last round of Six-Party Talks, however, the DPRK reversed course, claiming that only those facilities directly related to the weapons

program would be subject to a freeze, assuming, of course, that adequate compensation were provided. The idea that the Yongbyon facility serves any peaceful purpose is untenable. The amount of electricity it could produce is minimal, and it is questionable that North Korea even has the necessary infrastructure in place by which to distribute it.

North Korea must declare and fully account for all of its nuclear activities and subject them to effective verification measures. While the exact modalities of this verification regime are to be worked out—in part because of its decision to withdraw from the NPT last year and the removal of international inspectors and monitoring equipment—one could reasonably expect some of the five legitimate nuclear weapons states, which are also the five permanent members of the UN Security Council, would play a role in dismantling the weapons and extracting all weapons design information from North Korea. Other inspectors, with the IAEA playing an essential role, would undoubtedly assist in verifying the dismantlement of North Korea's plutonium and uranium-based nuclear weapons programs.

Unfortunately, North Korea continues to make clear that they have no intention to dismantle their facilities in a complete, verifiable and irreversible way, claiming as recently as last Saturday, "How can our Republic accept such a thing?" In this statement, their clearest to date, North Korea made the absurd claim that inspectors would "ransack" their country as a pretext for U.S. intervention. They also unequivocally stated that they would not dismantle their so-called peaceful nuclear reactors. In the eyes of North Korea, the solution is for us to "compensate" them, even for just a "freeze" of the weapons aspect of its nuclear program. It would appear, as President Bush has stated before, that North Korea is "back to the old blackmail game." This time, however, it will not work. We will not follow the mistaken path of the 1994 Agreed Framework because as Secretary Powell has said, "we bought that horse once." We will not provide inducements or reward the North Koreans to come back into compliance with their international obligations. Fundamentally, North Korea needs to understand that the end state is not a freeze, but the complete, verifiable and irreversible dismantlement of all their nuclear programs, including the Yongbyon facility.

While I have focused my remarks on the nuclear programs of the DPRK, the Six-Party Talks have also provided a vehicle to identify other critical issues of concern. These issues, which the United States and others have raised in both previous sessions of the Six-Party Talks, include the disposition of conventional forces along the demilitarized zone, North Korea's other WMD programs involving chemical and biological weapons, and its outward proliferation record, with particular regard to missiles constraints on DPRK's indigenous missile programs that threaten the U.S. and its Asian allies, and its dangerous exports of destabilizing missiles and missile technologies. Moreover, we must also deal with North Korea's abysmal human rights record, such as the abduction of Japanese citizens. We do not raise these issues because we want to set the bar higher for any negotiated settlement with North Korea. While our long-term goal remains the peaceful reunification of the peninsula, we know that any interim solution will require a comprehensive change in North Korean behavior. Given its past violations of agreements, its extensive, well-documented program of deception and denial, its dangerous proliferation activities, as well as its terrorist activities and its egregious human rights record, North Korea must know that relations with the United States can only become fully normalized when it deals with all of our concerns. They must make this strategic decision themselves, or face continued isolation and other unwelcome consequences. The Six-Party Talks can help to persuade North Korea and its neighbors that such a decision is in its own interests as well as those of its neighbors and the international community as a whole. The choice is Kim Jong Il's.

SYRIA

As I testified to this Committee last fall, we are concerned about Syria's nuclear research and development program and continue to watch for any signs of nuclear weapons activity or foreign assistance that could facilitate a Syrian nuclear weapons capability. We are aware of Syrian efforts to acquire dual-use technologies—some, through the IAEA Technical Cooperation program—that could be applied to a nuclear weapons program. In addition, Russia and Syria have approved a draft program on cooperation on civil nuclear power. Broader access to Russian expertise could provide opportunities for Syria to expand further its indigenous capabilities, should it decide to pursue nuclear weapons. Syria is a party to the NPT, and has a standard safeguards agreement with the IAEA, but has not yet signed or, to our knowledge, even begun negotiations on the IAEA Additional Protocol. The Additional Protocol, if fully implemented by Syria, could enhance the IAEA's ability to

verify whether Syria has been conducting clandestine nuclear weapons research barred by the NPT.

The President signed the Syria Accountability and Lebanese Sovereignty Restoration Act last December, which provides for the imposition of sanctions if the President determines that the Syrian government has not ended its pursuit of weapons of mass destruction, as well as ceased providing support for international terrorist groups, ended its occupation of Lebanon, and ceased any support for terrorist activities inside Iraq. Syria has not met these requirements, and the President will soon announce tough sanctions against Syria under the Act. The Bush Administration intends to impose further sanctions if Syrian behavior does not improve.

In addition, Syria's failure to demonstrate a consistent effort against foreign fighters reaching Iraq increases the threat to Coalition forces. We saw Syria take a series of hostile actions toward Coalition forces in the days before the war and shortly after hostilities began, such as allowing equipment to flow into Iraq. Syria also permitted foreign fighters to transit on their way to Iraq, volunteers who sought to attack coalition forces. Although the Syrian Government has taken steps to secure their Iraqi border, Syria remains a preferred hub for foreign fighters on their way to Iraq and more needs to be done.

CUBA

Cuba is a special security concern to the United States, lying just 90 miles from the U.S. mainland. This totalitarian state has long been a violator of human rights, earning it a place on the State Department's list of state-sponsors of terrorism. We said last year in the *Annual Report on Human Rights Practices for 2003* that human rights abuses in Cuba worsened dramatically last year when 75 peaceful dissidents were sentenced to prison terms averaging 20 years for trying to exercise their fundamental rights. The Cuban Government continues to violate systematically the fundamental civil and political rights of its citizens. Citizens there do not have the right to change their government peacefully. Prisoners die in jail due to lack of medical care. Members of the security forces and prison officials continue to beat and otherwise abuse detainees and prisoners. The Government denies its citizens the freedoms of speech, press, assembly and association.

Havana has long provided safe haven for terrorists, and has collaborated in biotechnology—including extensive dual use technologies with BW applications—with state sponsors of terror. The country is known to be harboring terrorists from Colombia and Spain. Colombia's two largest terrorist organizations, the Revolutionary Armed Forces of Colombia and the National Liberation Army, both maintain a permanent presence on the island. Perhaps the clearest evidence that Cuba is ruled by a criminal regime is the fact that it is providing refuge to over 70 fugitives wanted by the FBI. Many have committed serious crimes, including assassination, murder, bombings, and narcotics trafficking. Three have killed American policemen.

The Bush administration has said repeatedly that we are concerned that Cuba is developing a limited biological weapons effort, and called on Fidel Castro to cease his BW aspirations and support of terrorism. Existing intelligence reporting is problematic, and the Intelligence Community's ability to determine the scope, nature, and effectiveness of any Cuban BW program has been hampered by reporting from sources of questionable access, reliability, and motivation. In early 2002, the intelligence community approved the following unclassified language on Cuba's BW efforts for an unclassified speech I was planning to give:

“The United States believes that Cuba has at least a limited developmental offensive biological warfare research and development effort. Cuba has provided dual-use biotechnology to other rogue states. We are concerned that such technology could support BW programs in those states. We call on Cuba to cease all BW-applicable cooperation with rogue states and to fully comply with all of its obligations under the Biological Weapons Convention.”

In March and June 2002, Assistant Secretary Carl Ford used the above IC language in testimony to the Senate Foreign Relations Committee. I used the same language in a May 2002 address to the Heritage Foundation, although I dropped the word “developmental” since I thought it was superfluous.

Castro has repeatedly denounced the U.S. war on terrorism. He continues to view terror as a legitimate tactic to further revolutionary objectives. In 2000, Castro visited Iran, Syria, and Libya. He made the following disturbing comments in mid-2001 at Tehran University: “Iran and Cuba, in cooperation with each other, can bring America to its knees. The U.S. regime is very weak, and we are witnessing this weakness from close up.”

Incredibly, a major U.S. intelligence analysis in 1998 concluded that Cuba did not represent a significant military threat to the United States or the region. It went only so far as to say that, "Cuba has a limited capacity to engage in some military and intelligence activities which could pose a danger to U.S. citizens under some circumstances." Why was the 1998 report on Cuba reach so narrow a conclusion? Why did it underplay the threat Cuba posed to the United States? A major reason is Cuba's aggressive intelligence operations against the United States, which included recruiting the Defense Intelligence Agency's senior Cuba analyst, Ana Belen Montes, to spy for Cuba. Montes had a hand in drafting the 1998 Cuba report. She also participated in interagency coordination of a national intelligence estimate on BW, and passed some of our most sensitive information about Cuba back to Havana. Additionally, Monte's espionage materially strengthened Cuba's denial and deception efforts; the data Montes passed gave Havana ample opportunity to generate controlled information that could, via defectors and émigrés, reach Washington. Montes pleaded guilty to espionage for Cuba against the United States, and was sentenced to a 25-year prison term in 2002.

For four decades, Cuba has maintained a well-developed and sophisticated biomedical industry, supported until 1990 by the Soviet Union. This industry is one of the most advanced in Latin America, and leads in the production of pharmaceuticals and vaccines that are sold worldwide. Some analysts and Cuban defectors, however, have long cast suspicion on the activities conducted in these biomedical facilities. Nor can we forget what was learned after the collapse of the USSR about the biological warfare research and development work carried out by ostensibly "civilian" facilities belonging to the Cuban biotechnology industry's Soviet patrons.

As I said earlier, I believe the case for the existence of a developmental Cuba BW R&D effort is strong. The Administration believes that Cuba remains a terrorist and BW threat to the United States. The Bush Administration continues to watch this rogue state very closely. While my remarks so far have focused on rogue states, I would also like to take this opportunity to discuss our non- and counterproliferation dialogue with India and with Pakistan. Both could assemble a limited number of nuclear weapons in a relatively short period, and have air-delivered bombs and land-based missiles capable of delivering such weapons, and India is pursuing a sea-based ballistic missile capability. We believe this has diminished, not strengthened, security on the subcontinent.

INDIA

With respect to India, in September, 2001, the Bush Administration lifted nuclear-related sanctions imposed on India following its 1998 nuclear weapons tests. This decision resulted not from a diminution of U.S. concerns regarding India's development of nuclear weapons, but reflected the Administration's view that a different approach, including regular engagement on nonproliferation issues, would prove more effective in advancing our nonproliferation goals. We have embarked on an intensive program of cooperative technical exchanges on export controls, which both sides have found useful. While there has been progress in some notable cases, U.S. sanctions remain in place against proliferating entities in India, such as NEC Engineers, and its president, Hans Raj Shiv. We are gratified by the ongoing Indian prosecution of NEC and are following the case with interest. On January 12th of this year, President Bush and Prime Minister Vajpayee announced the "Next Steps in Strategic Partnership" ("NSSP") initiative to expand cooperation in the areas of civilian nuclear and civilian space applications, high-technology commerce, and dialogue on missile defense. This important initiative reflects our growing strategic relationship with India. As part of the expanded cooperation, India will undertake meaningful steps to improve its export controls systems, and work with the U.S. in pursuit of shared nonproliferation goals. Consistent with its obligations under U.S. law and international commitments, the United States is offering no assistance to India's nuclear weapons or missile programs.

PAKISTAN AND THE A.Q. KHAN NETWORK

The United States Government is working cooperatively with Pakistan to improve its export control regimes and nonproliferation policies. While Pakistan has not conducted nuclear explosive tests since 1998, it continues to develop nuclear weapon and missile programs. The sanctions imposed in 1998 were lifted in September, 2001, and a more cooperative approach to achieve our mutual nonproliferation goals has since been implemented.

Our recent nonproliferation focus with Pakistan is to work with the government to eliminate once and for all the network of Abdul Qadeer Khan, the so-called "father" of Pakistan's nuclear weapons program. Recent revelations have implicated

Khan in leading an international network working in Europe, Asia, and Africa that sold uranium enrichment technology and equipment to rogue states. As the President laid out in great detail in his NDU speech last month, we have been concerned about the scope and the breadth of Khan's activities for quite some time. What we have learned about the international black market in weapons of mass destruction shows how sophisticated WMD proliferators are, and how skilled they are at deception and camouflage. The complexity of the Khan network illustrates the need for a multi-faceted approach to ultimately defeat the WMD black market. This approach will require using all the tools we have available, including close cooperation with our allies and friends.

Khan's recent admissions that he provided uranium enrichment expertise to North Korea and Iran has put the lie to protestations by these states about their covert uranium enrichment programs. President Musharraf has assured the United States that he will provide us, and the IAEA with information from Khan and his associates that we can use to advance our investigations into the Khan network and worldwide trading in nuclear weapons technology.

PRESIDENT BUSH'S COUNTERPROLIFERATION INITIATIVES

In his speech at the National Defense University last month, President Bush said, "There is a consensus among nations that proliferation cannot be tolerated. Yet this consensus means little unless it is translated into action. Every civilized nation has a stake in preventing the spread of weapons of mass destruction." The President made seven proposals to strengthen the world's efforts to stop the spread of deadly weapons:

- Expanding the work of the Proliferation Security Initiative
- Passing a UN Security Council Resolution calling on all nations to strengthen laws and international controls against WMD and missile proliferation
- Expanding the G8 Global Partnership recipients, donors, and funds to prevent WMD proliferation worldwide
- Closing a loophole in the Nuclear Nonproliferation Treaty that allows states to pursue fissile material for nuclear weapons under peaceful cover
- Limiting the import of peaceful nuclear technology to states that have signed the IAEA Additional Protocol and calling on the Senate to quickly ratify the protocol.
- Reorganizing the IAEA to create a special IAEA committee to that will ensure all states comply with NPT obligations
- Barring states under investigation for violating their IAEA obligations from serving on the IAEA Board of Governors or on the new IAEA special committee.

THE PROLIFERATION SECURITY INITIATIVE

Foremost among President Bush's efforts to stop WMD proliferation is the Proliferation Security Initiative. The United States and ten other close allies and friends have worked assiduously from May 2003 to develop this initiative, which seeks to combat proliferation by developing new means to disrupt WMD trafficking at sea, in the air, and on land. Our goal is to create a more robust approach to preventing WMD, their delivery systems, and related materials flowing to and from states and non-state actors of proliferation concern.

The PSI has been a fast-moving effort, reflecting the urgency attached to establishing a more coordinated and active basis to prevent proliferation. The Proliferation Security Initiative is unique in that it is not an organization but an activity. Countries will participate in a variety of ways. On September 4, we published the PSI "Statement of Interdiction Principles" and shared it with countries around the world. Already, more than 60 countries have signaled that they support the PSI and are ready to cooperate in interdiction efforts. States are becoming involved in PSI efforts in a number of different capacities—operational, political, or both—to help build the initiative. Three additional countries—Canada, Norway, and Singapore—joined the PSI core group at the most recent PSI plenary meeting in Lisbon earlier this month.

As PSI has developed, countries have worked together under PSI auspices to prevent additional shipments of illicit materials. The most recent example of this cooperation, noted by the President in his February 11 address, involved the United States working with the United Kingdom, Italy, and Germany to stop and seize a shipment of centrifuge parts useful for uranium enrichment bound for Libya.

In mid-April, PSI operational experts will gather in Ottawa, Canada, to develop further the work of the December meeting hosted by the United States, where PSI participants agreed on a growing series of sea, air, and ground interdiction training exercises. Six have already taken place, and four additional exercises will occur in the coming months. Most recently, the United States led an exercise in January in the Arabian Sea, known as "Sea Sabre," and the Italians hosted an air interception exercise in February. PSI nations have now trained for maritime interdictions in the Mediterranean, the Arabian Sea, and the western Pacific Ocean, all areas that are particularly prone to proliferation trafficking, and are beginning to evolve our collective ability to conduct air interceptions. Meanwhile, as we speak, Germany is hosting the first airport-based law-enforcement-focused interdiction training exercise, "Operation Hawkeye." Poland will host the first ground interdiction training exercise in April; Italy will host a maritime interdiction exercise in April; and France will host an air interdiction exercise in June.

As the PSI moves forward, other countries will join in training exercises to enhance global capabilities to respond quickly when governments receive intelligence on proliferation shipments. Our ally, Japan, has worked closely with the United States as it deployed expert missions to each of the ASEAN nations to encourage support and active involvement in the PSI. We have been in close discussions in these capitals, including visits I have made to two key countries, Malaysia and Indonesia.

President Bush has made clear that the long-term objective of the United States is to create a web of counterproliferation partnerships through which proliferators will have difficulty carrying out their trade in WMD and missile-related technology. With this in mind, we are making progress in negotiating ship-boarding agreements with key flag states. Liberia was the first country to sign an agreement, and cited its desire to work with us so that its ships were understood to operate under high standards. The Administration also is discussing with the United Kingdom and others, proposals to deny ships known to have unacceptable proliferation records from entry into ports.

Our PSI interdiction efforts rest on existing domestic and international legal authorities. The national legal authorities of each participant will allow us to act together in a flexible manner, ensuring actions are taken by participants with the most robust authorities in any given case. By coordinating our efforts with other countries, we draw upon an enhanced set of authorities for interdiction. Experts will work to improve our ability to share information with law enforcement and military operators in a timely and effective manner, in order to allow operators to increase the number of actual interdictions.

In his February address, President Bush directed that we work with other participants to expand PSI's mission to target not only shipments and transfers of WMD, but the entities and networks involved in illicit proliferation activities more aggressively. Such steps will require greater cooperation not just among intelligence and military services but in law enforcement as well. Specifically, PSI participants will focus more broadly on those who traffic in deadly weapons, and work to shut down their labs, to seize their materials, to freeze their assets, to disrupt the middlemen, the suppliers and the buyers.

Work has already begun to build support for this expanded PSI effort. At the most recent plenary meeting in Lisbon, Portugal, the Chairman's Conclusions contain a strong statement of political support for the President's call to expand PSI's role. Participants agreed to pursue greater cooperation through military and intelligence services and law enforcement to shut down proliferation facilitators and bring them to justice. PSI participants agreed on some practical first steps to: 1) identify national points of contact and internal processes developed for this expanded goal; 2) develop and share national analyses of key proliferation actors and networks, their financing sources, and other support structures; and 3) undertake national action to identify law enforcement authorities and other tools or assets that could be brought to bear against efforts to stop proliferation facilitators.

We are nearing the first anniversary of President Bush's announcement of PSI in Krakow, Poland. To commemorate the anniversary, the Government of Poland will host a meeting in Krakow, where they anticipate participation by many of the governments supporting PSI, and ready and willing to participate in PSI activities. This meeting will demonstrate PSI's global scope and the strong resolve of nations to take robust actions to deny proliferators the ability to trade in the most deadly weapons and materials. As the President said in his February address: "Our message to proliferators must be consistent and it must be clear: We will find you, and we're not going to rest until you are stopped."

STRENGTHENING LAWS AND INTERNATIONAL CONTROLS GOVERNING PROLIFERATION

In his February address and also in his September address to the U.N. General Assembly, the President called upon the Security Council to pass a resolution calling for each nation to require all states to criminalize proliferation, enact strict export controls, and secure all sensitive materials within their borders. After months of difficult negotiation, the Permanent Five members of the Security reached agreement last week. We have circulated a draft resolution to the rest of the Council, and we hope that the full Council will move quickly to adopt this resolution.

WMD SANCTIONS

The front lines in our nonproliferation strategy need to extend beyond the immediate states of concern to the trade routes and entities that are engaged in supplying the countries of greatest proliferation concern. In support of this “forward” policy of nonproliferation, we are employing a number of tools to thwart and counter countries’ weapons of mass destruction and missile programs, including sanctions, interdiction, and credible export controls. Most of these states are still dependent on outside suppliers and expertise. Thus, we can slow down and even stop their weapons development plans by implementing a policy that seeks to disrupt their procurement attempts.

Proliferating states and entities are employing increasingly sophisticated and aggressive measures to obtain WMD or missile-related equipment, materials, and technologies. They rely heavily on the use of front companies and illicit arms brokers in their quest for arms, equipment, sensitive technology, and dual-use goods for their WMD programs. These front companies and brokers are expert at concealing the ultimate destination of an item, and in making an illicit export appear legitimate—in essence hiding the export in the open. Proliferators take other measures to circumvent national export controls, such as falsifying documentation, providing false end-user information, and finding the paths of least resistance for shipping an illicit commodity. If there is a loophole in a law or a weak border point, those responsible for rogue states’ WMD programs will try to exploit it. All too often they succeed.

Economic penalties or sanctions are an essential tool in a comprehensive nonproliferation strategy. The imposition or even the mere threat of sanctions can be a powerful lever for changing behavior, as few countries wish to be publicly labeled as being irresponsible. Sanctions not only increase the costs to suppliers but also encourage foreign governments to take steps to adopt more responsible nonproliferation practices and ensure that entities within their borders do not contribute to WMD programs.

The Bush Administration has imposed WMD sanctions an average of 22 times per year and 32 times per year in 2002 and 2003. Compare that with the average number of sanctions imposed per year during the last Administration—eight—and you will see that this Administration is very serious about using sanctions as a nonproliferation tool. We have imposed measures under the Iran Nonproliferation Act, the Iran-Iraq Act, the Arms Export Control Act, and Executive Order 12938 among others. While we see sanctions as an effective policy tool, most of these sanctions are required by law and we will implement them as Congress intended.

Consider a recent case involving Macedonia. In December, 2003, the United States imposed nonproliferation penalties pursuant to the Arms Export Control Act and E.O. 12938 on the Macedonian entity, Mikrosam, and Macedonian citizen, Blagoje Samokovski. Penalties were imposed because the United States Government determined that these entities contributed materially to the efforts of the end-user to use, design, develop, produce, or stockpile missiles capable of delivering weapons of mass destruction. The Macedonian Government understands the importance of dealing with these issues and has recently completed a first draft of a new Macedonian export control law.

Our perspective on sanctions is clear and simple. Companies around the world have a choice: trade in WMD materials with proliferators, or trade with the United States, but not both. Where national controls fail, and when companies make the wrong choice, there will be consequences. U.S. law requires it, and we are committed to enforcing these laws to their fullest extent.

For example, the forthcoming report that the Department of State will soon submit to Congress pursuant to the Iran Nonproliferation Act illustrates how we are implementing the Act to advance our nonproliferation goals. We will be announcing 13 new sanctions for transferring WMD technology to Iran.

RESTRICTING DANGEROUS MATERIALS AND CONTINUING THE NUNN-LUGAR COOPERATIVE
THREAT REDUCTION

Another important Administration initiative is the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, launched by the Leaders of the G-8 at the Kananaskis Summit in June, 2002. The G-8 Leaders pledged to raise up to \$20 billion over ten years for nonproliferation, disarmament, and nuclear safety cooperation projects to prevent dangerous weapons and materials from falling into the wrong hands.

The United States will contribute half of this total—\$ 10 billion—through projects funded and implemented by the Departments of Defense, Energy, and State, most of which were begun under the Nunn-Lugar Cooperative Threat Reduction program. Of the remaining \$10 billion to be committed by other G-7 countries, approximately \$7 billion has already been pledged. Last year the G-8 welcomed the participation of six additional donor countries—Finland, the Netherlands, Norway, Poland, Sweden, and Switzerland—and we have recently invited a number of additional nations to join this important enterprise.

The initial focus of the Partnership has been on projects in Russia, with formal recognition anticipated for other states of the former Soviet Union, but the problems of dangerous weapons, materials, and expertise extend to many other countries. The United States already has nonproliferation projects underway in Ukraine, Kazakhstan, Uzbekistan, Georgia, and other FSU states, and counts this assistance toward our Global Partnership commitment. Some other Global Partnership countries already have assistance in the FSU as well. The United States has recently begun assistance in Iraq and Libya. We are encouraging our partners to undertake their own projects in such states and to expand the Global Partnership into these areas. The United States has new legislative authority to devote a portion of Department of Defense CTR resources to countries beyond the former Soviet Union, and we are looking to expand the scope of our efforts accordingly.

In the decades after World War II the United States and the Soviet Union built research reactors that used highly enriched uranium for fuel in dozens of locations around the world. As a result, substantial amounts of highly enriched uranium fuel are stored at or near such reactors under security arrangements that vary widely in quality. Both the United States and Russia want to convert such reactors to low enriched uranium fuel, and to remove highly enriched uranium. In recent months we have worked with Russia to remove highly enriched uranium fuel from Yugoslavia, Bulgaria, Romania, and Libya, and continue to plan for additional removals. Our goal is to reduce to an absolute minimum international commerce in weapons-usable uranium throughout the world.

Another important nonproliferation instrument, our Export Control and Related Border Security Assistance program (“EXBS”), is our primary vehicle for providing other governments the advice, training, and equipment they need to bring their export control systems up to international standards. The EXBS program also initially focused on the former Soviet Union and nearby transit states, but in recent years has expanded to over forty countries in South Asia, Southeast Europe, and key transshipment states from the Mediterranean to the Middle East to Southeast Asia. Foreign governments receiving this assistance have passed new export control laws and interdicted shipments of arms, radioactive materials, and other sensitive items destined for suspicious end-users.

The Dangerous Materials Initiative (“DMI”), responds to the President’s February 11th call to strengthen efforts against the spread of deadly weapons. The DMI is a project-based international assistance initiative that will help criminalize proliferation, remove and/or secure dangerous materials, enact stricter export controls, expand G-8 nonproliferation efforts beyond Russia and help implement the Proliferation Security Initiative. We have already conducted DMI projects in Libya to remove nuclear materials and related material, and in Iraq to control dangerous materials. We are seeking DMI partnerships with other countries, on a pilot basis, to strengthen national controls over biological and nuclear materials, including sensitive technology and equipment. We encourage other countries to participate in similar partnerships in Iraq, Libya, and elsewhere.

CLOSING NPT LOOPHOLES AND STRENGTHENING THE IAEA

President Bush is committed to ensuring that all IAEA members and all states parties to the Nuclear Nonproliferation Treaty honor their treaty obligations, and that banned activities are reported to the United Nations Security Council. The President is determined to stop rogue states with secret nuclear weapons programs from benefiting from peaceful nuclear technology. President Bush has proposed cre-

ating a special committee of the IAEA to “focus intensively on safeguards and . . . [and] ensure that nations comply with their international obligations.”

The President also wants to stop states that are suspected of having covert nuclear weapons programs from holding seats on the IAEA Board of Governors from which they now can sit in judgment of their own programs as well as the weapons programs of other rogue states. For example, it was outrageous that Iran actually was a member of the Board last year while that body was deliberating how to deal with Iran’s nuclear weapons effort. Ensuring that suspect states do not sit on the IAEA Board is particularly important given the Board’s tradition of trying to reach decisions by consensus—which is obviously impossible when the fox helps guard the henhouse.

STOPPING MANPADS PROLIFERATION

The Administration is also actively seeking to address the threat posed by the terrorist use of Man Portable Air Defense Systems (“MANPADS”) through bilateral and multilateral initiatives. At the June 2003 G–8 Evian Summit, leaders agreed to a U.S.-initiated MANPADS Action Plan that includes: providing assistance and technical expertise for destroying excess MANPADS; adopting stringent national controls on production of and export of MANPADS and their essential components; banning transfers to non-state actors; exchanging information on uncooperative countries and entities; and examining for new MANPADS the feasibility of adding specific technical performance or launch control features that preclude their unauthorized use. During the October 2003 APEC summit, APEC economies issued a statement on MANPADS similar to the G–8 Action Plan. In December 2003, the Wassenaar Arrangement adopted strengthened guidelines for control over MANPADS transfers. We are continuing efforts in all of these *fora* this year. New MANPADS initiatives are also being proposed in the OSCE and other regional organizations.

We are also engaged on a bilateral basis with countries that have a combination of excess MANPADS stocks, poor controls, and a demonstrable risk of proliferation to terrorist groups or other undesirable end-users. The existing NADR Small Arms and Light Weapons Destruction Program is funding programs to destroy obsolete weapons which have little military value, but could be lethal against civil aviation in the hands of terrorist organizations. NADR also strives to improve safety and security of weapons which may be needed for legitimate self-defense purposes; and improve standards of inventory control and accountability to ensure that remaining stocks are not stolen or illicitly transferred.

Many countries participating in the bilateral MANPADS reduction programs have requested that we treat their activities as confidential. Public success stories include the destruction of nearly 6000 MANPADS in Bosnia-Herzegovina. After a State Department-led assessment, Prime Minister Hun Sen of Cambodia declared that Cambodia would destroy its entire stockpile of 233 MANPADS. The State Department also disabled and will destroy 45 MANPADS in Liberia. 7,922 MANPADS have been destroyed in eight countries in Africa, Eastern Europe, and Latin America since the beginning of 2003. We have received commitments for the destruction of almost 2,500 more and continue to pursue efforts worldwide.

CONCLUSION

We are making steady progress in the war against WMD proliferation and terrorism. We have broken up the Khan network, worked in partnership with Libya to dismantle its WMD programs, put the international spotlight on Iran’s nuclear program, moved North Korea into multilateral negotiations, eliminated Saddam Hussein’s regime in Iraq, and successfully used the Proliferation Security Initiative to stop WMD shipments. We are turning up the pressure on Syria to end its WMD efforts, and by all these efforts are seeking to deter other would-be proliferators. We have worked with our G–8 partners to spend billions of dollars to safeguard dangerous materials and weapons left over from the Cold War. We are strengthening the Nunn-Lugar program and the G–8 Global Partnership and we are assisting other countries to develop and enforce effective export controls. India and Pakistan have committed to strengthen their export controls to prevent transfers of sensitive technology and have launched a dialogue of their own that we hope will lead to the reduction of nuclear risks on the Subcontinent.

These efforts are bearing fruit. Proliferation is today becoming riskier and more uncertain, and we are now sending the message that the pursuit of WMD brings not security but *insecurity*. At the same time, we have made clear that countries that abandon such dangerous pursuits can enjoy the prospect of improved relations with the United States and our friends.

President Bush said in February, "We've shown that proliferators can be discovered and can be stopped. We've shown that for regimes that choose defiance, there are serious consequences." But while the United States has made progress in stopping WMD proliferation, the threat is far from being eliminated. It would be irresponsible to believe that stopping WMD proliferation will be any easier than the war against terrorism, or that it will be resolved any sooner. Only by sustained efforts over a protracted period will we achieve our goals of allowing America and its allies to be free from the continuing threat of blackmail and terrible destruction that these weapons pose.

Chairman HYDE. Thank you very much, Mr. Secretary.

Mr. Ackerman?

Mr. ACKERMAN. Thank you very much, Mr. Chairman.

Mr. Secretary, has the President made a determination of whether or not the Symington or Glenn sanctions under the Arms Export Control Act apply to the Government of Pakistan generally, whether it applies to specific officials of the Government of Pakistan or entities in Pakistan?

Mr. BOLTON. In connection with what transaction, Congressman?

Mr. ACKERMAN. With A.Q. Khan.

Mr. BOLTON. The decision about the policies that the Government of Pakistan is pursuing on A.Q. Khan is one that we have been considering very carefully, and I would say, Mr. Ackerman, to go back to your opening statement, this turns on a fundamental evaluation as to who in Pakistan was responsible for A.Q. Khan's activities.

Based on the information we have now, we believe that the proliferation activities that Mr. Khan confessed to recently, his activities in Libya and Iran and North Korea and perhaps elsewhere, were activities that he was carrying on without the approval of the top levels of the Government of Pakistan. That is the position that President Musharraf has taken, and we have no evidence to the contrary.

Mr. ACKERMAN. Mr. Secretary?

Mr. BOLTON. Maybe I can just finish because I think it is important to have the factual record out here as we know it.

I do not have any doubts that there were officials in the employ of the Government of Pakistan, perhaps at Khan Research Laboratories, perhaps in the military, who participated in Khan's network and probably enriched themselves just as Khan himself did, but the issue is the extent to which, if at all, the top levels of the Government of Pakistan were involved in his activities.

As I say, we have no evidence to that effect, and that is why, if I may say so, Khan's activities are more frightening than if they had been backed by the government because it shows that independent of state sponsorship or approval elements of this black market in weapons of mass destruction can nonetheless be extraordinarily successful.

Mr. ACKERMAN. I thank you for answering your question. I will repeat my question, but in response to your answer I would just like to say that you question whether or not government officials in Pakistan were complicit in the actions of A.Q. Khan or the laboratory.

It seems to even the most casual of observers that you cannot use the military transport planes of Pakistan to deliver that kind of material and programs to North Korea and others without the

implicit support of the Army of Pakistan, and it seems to me that we know the name of the guy who was the head of the Army of Pakistan then.

I can understand the reluctance in this issue, which we are damned if we do and damned if we do not. We want to make sure that we have a government and an administration in Pakistan which is supportive of us and our efforts against terrorists and terrorism, and we do right now in President Musharraf. We do not want to do anything that destabilizes him.

On the other hand, it seems to me that the good work which the Chairman appropriately cites and you have reiterated and I have previously called the whipping boy theory, you grab Iraq by the collar and go whack, whack, whack and turn to some other regimes and say let that be a lesson to you, and Libya has fallen into the camp of "Oops, we do not want to go through that."

The good work that that has produced seems to me gets completely wiped out by saying we will turn a blind eye to anybody who has or does these kinds of things and supplies this program, weapons, to rogue states or nations.

Mr. BOLTON. That might be the case if we were——

Mr. ACKERMAN. Let me just repeat my question in case you missed it. The question was, has the President made a determination of whether Symington or Glenn applied to Pakistan in general, officials or entities thereof?

Mr. BOLTON. With respect to the Khan transactions, the answer to that is no, and at this point the evidence is not there to support it. You know, you have to——

Mr. ACKERMAN. When do you expect such a determination to be made?

Mr. BOLTON. We are continuing to seek information about exactly what Khan's activities were over time because it is extremely important.

Mr. ACKERMAN. Do you think the designation of Pakistan as a major non-NATO ally should wait until we have made that determination?

Mr. BOLTON. No, because I think that determination was based on other factors. I mean, we have been saying to the Pakistanis for quite some time that——

Mr. ACKERMAN. Let me just——

Mr. BOLTON. Could I finish my answer this time? We believe——

Mr. ACKERMAN. Yes, but try my question.

Mr. BOLTON. Okay. I did answer your question. We believe that it is very important in the case of Pakistan or others to act on the basis of what we know to be the case.

You can make assumptions about the use of military aircraft in Pakistan. Those assumptions at some point have to be grounded in facts, and the understanding we have is that Khan Research Laboratories had extraordinary autonomy and quite likely could use military aircraft for purposes that others in the military would not necessarily know the purpose of because of compartmentation of the information involved. If we had——

Mr. ACKERMAN. I think——

Mr. BOLTON. Excuse me. May I just finish, because I think this is important.

If we had information——

Mr. ACKERMAN. Would the Chairman allow us 1 more minute so that we could complete this thought?

Chairman HYDE. Yes, without objection.

Mr. BOLTON. If we had information about complicity of top levels of the Government of Pakistan, we would act on it. At this point there is no such information.

Mr. ACKERMAN. So with charges out there, with allegations made, with the international community watching this very carefully, with those who we want to put on notice that we will not tolerate nuclear programs, with the verdict and the jury still out on whether or not Pakistan and entities thereof were complicit in this and prior to our knowledge, as you say, of all of the facts being on the table as yet as to whether or not we are going to impose sanctions on Pakistan under either Symington or Glenn, the President nonetheless should declare them a major non-NATO ally absent the facts?

Mr. BOLTON. I think it is entirely appropriate to declare Pakistan a major non-NATO ally for reasons unrelated to this issue. I just want to say this one more time, and I cannot say anything more in an open session.

We have watched the Khan network carefully. It has not escaped us that Khan is a Pakistani. We have watched his actions inside Pakistan carefully as well. We have no information that contradicts what President Musharraf has assured us, and that is that the top levels of the Government of Pakistan are not implicated in these transactions.

Now, one of the things that President Musharraf made clear was that his pardon of Khan was conditional. It was conditional on two things. First, that all of Khan's proliferation activities stop and, second, that he cooperate with the Government of Pakistan in its ongoing investigation. We believe those conditions are currently being met.

Mr. ACKERMAN. I will wait until the second round, Mr. Chairman.

Chairman HYDE. Mr. Smith?

Mr. SMITH OF NEW JERSEY. Thank you very much, Mr. Chairman.

I want to welcome Under Secretary John Bolton to the Committee again and say how much I respect him personally and professionally. I remember we worked so well together when he was Chairman of the International Organizations or Assistant Secretary of the International Organizations Committee or Department over at the Bureau and did an outstanding job in that capacity.

I apologize for being late, Mr. Chairman. I was at a meeting on anti-semitism at the Holocaust Museum. We are working on plans for the Berlin Conference, so I did not get to hear your testimony, Mr. Secretary.

I do have one question, and again coming in late I am not sure if this may have been asked, but with regard to China, the People's Republic of China, we know that they have been involved with Iran, with North Korea to some extent, and perhaps you might want to speak to that, but also how China itself may represent a

very significant threat in the area of chemical, biological and nuclear weapons.

I know we do everything humanly possible to try to mitigate that threat, and certainly dialogue is important. Obviously there were concerns just recently with the elections in Taiwan, the ever-present saber rattling that we see in Beijing vis-a-vis Taiwan.

Over the last 10 years, if I am not mistaken, there has been a very significant technology transfer from the United States, some of it wittingly, some of it unwittingly, and I wonder if you might qualitatively and quantitatively talk about the issue of China. Do they represent a threat?

We know that there has been, as Secretary Powell said most recently talking about the human rights situation, a significant deterioration when it comes to those rights. You know, I have spoken to people like Wei Jingsheng and others who continue to admonish those of us in the West and in other countries.

His father, as you know, is the father of the Air Force in China, and, being what he is, when he speaks we ought to listen; that they have designs, long range, intermediate range.

I read Steven Mosher's book called *Hegemon* talking about how we so often misconstrue what their long-term prospects are. They go back and still have scores to settle that go back to the opium wars, and there is a mindset that we do not fully understand, and it could play out in a disastrous way when you talk about weapons of mass destruction and the like, so if you might want to touch on China?

Mr. BOLTON. Yes. Thank you very much. The record that China has developed in the past several years I think is mixed. I think they have done certain things such as promulgate export control regulations, although they are not as complete as we feel they should be. They have taken some steps to enforce those regulations, although not as completely as they should.

They have cooperated with us in some cases in stopping the transshipment of WMD related materials and dual use chemicals, although not as frequently as we would like, and we continue to discuss in the strategic dialogue that President Bush and President Jiang Zemin agreed to at Crawford some time ago to encourage the Chinese to do more in the field of stopping their own outward proliferation.

Where there is sufficient evidence for purposes of the Administration of the sanctions laws that Congress has passed or the Executive Order that the President has under his authority, we have imposed sanctions on China. We imposed sanctions that have both political and economic impact on China, and we will continue to enforce those laws vigorously.

I do not have a breakdown with me of sanctions that we have imposed on China, but I would say that if you look at the range of activity in the sanctions area by this Administration over its time in office so far, the average number of sanctions we have imposed on a global basis, many of which involve China, has been about 32 times a year during the years 2002 and 2003, compared to the average per year during the Clinton Administration, which was about 8 times a year, so our use of sanctions overall has increased by about 400 percent.

A variety of reasons for that, and, as I say, not all of that applies in China, but I do want to say since Mr. Sherman raised the point earlier that there is no reluctance to enforce the law. There is no reluctance whatsoever to use the authority that we have both from statutes Congress has enacted and from the President's own Executive Order to impose sanctions where the information that we have requires us to do so.

I think with China, I think there are pluses and minuses. I think the risk of outward proliferation from China is unfortunate not only in its own right because it is a serious problem, but because it encourages others that if China can continue to engage in outward proliferation so can they.

That is one reason why our efforts with China have the priority that they do; not simply because of the risk that China's own WMD related exports play, but because of the impact that their activities have on others.

Chairman HYDE. Mr. Sherman?

Mr. SHERMAN. Thank you.

Condoleezza Rice told us that the first sign that an enemy has a nuclear weapon could be a mushroom cloud. If that mushroom cloud appears, it will probably be from a nuclear weapon from Iran or North Korea.

A big chunk of the blame has got to go to the American people and the American press, who have been so obsessed with Iraq, at the invitation of the Administration, that they failed to notice that Iran and North Korea are the countries that are hostile to us that are developing nuclear weapons.

An Administration desperate for reelection will take 550 soldiers from Japan, which provides a veneer of international support and credibility for our relations in Iraq, which is the preoccupation of the electorate, and give the green light to \$2.8 billion going from Japan to Iran.

Mr. Secretary, I alluded to this in my opening statement. You are quoted under the headline of "Washington Untroubled By Tehran-Tokyo Oil Contract" of saying you are just not concerned with this \$2.8 billion.

Let me give you a chance to express what concerns you have. Is it just fine that \$2.8 billion is going from Japan to a government that would smuggle nuclear weapons into our cities if they thought they could get away with it?

Mr. BOLTON. Could I first address the point about whether we are desperate for reelection? I really do not engage in politics at the State Department.

Mr. SHERMAN. What else would explain the green light? Maybe you are not desperate for reelection, but why the green light to \$2.8 billion going from Japan to Iran?

Mr. BOLTON. I think I can say with a high degree of confidence that our policies at the State Department are not directed with partisan or political objectives in mind.

Mr. SHERMAN. No. The prior Administration rolled over in all this stuff too. You are in good company.

Mr. BOLTON. Okay. To come to your question——

Mr. SHERMAN. I mean, let us face it.

Chairman HYDE. Would the gentleman yield for a brief second?

Mr. SHERMAN. Yes.

Chairman HYDE. Does the gentleman agree that an appropriate amount of anthrax could kill as many people as a nuclear bomb?

Mr. SHERMAN. I think the capacity to deploy such anthrax on a practical basis is nil. The use of anthrax has killed perhaps a dozen people. The use of nuclear weapons has killed hundreds of thousands.

I do not see anthrax as anywhere close to the risk. It is a risk. I mean, in terms of the likelihood of it killing 100 people or 1,000 people, it could happen.

Chairman HYDE. A couple of envelopes got delivered up here on the Hill, and everything shuts down.

Mr. SHERMAN. Shutting down the Congress is one thing. Eliminating a city from the face of the earth is something else.

We have had to endure one. Let us hope we do not have to endure the other and weigh the difference between the two.

Chairman HYDE. We could go on and on, but thank you for yielding.

Mr. SHERMAN. Yes. So let me stipulate. You stated that the Administration believes in enforcing the law, but both you and your predecessor have never used ILSA to impose sanctions, not on Total, which is investing in Iran now, not on the Japanese where you would not even have to impose them. You would just have to express disapproval, and they would pull back. The attitude has been shovel the money to Iran and bomb Iraq.

Mr. BOLTON. Well, I do not agree with that obviously. I would say that the policy on ILSA enforcement has been essentially continuous between the Clinton and Bush Administrations.

Now, on the subject of Japan, the transaction that you are referring to involves the Azadegan oil field in Iran. The Administration, I think, had made it clear privately to the Government of Japan and had made it clearly publicly that it opposed the Azadegan oil deal and had urged the Government of Japan not to proceed with it.

The Government of Japan did decide to proceed with it, and in the context of the announcement of that decision I said in Tokyo that although we had made our position on the deal clear that I was confident that the Japanese position on nonproliferation was not at risk despite that deal, and I believe that—

Mr. SHERMAN. Wait a minute. Why would anybody in Iran care about a Japanese position on proliferation if they say here is the \$2.8 billion, and here is a letter urging you not to develop a nuclear weapon? Other than creating excessive laughter in Tehran, what would that note accomplish?

The \$2.8 billion is on its way, and it is on its way not because Japan overrode strong Administrative opposition because you smiled, you winked, you said you were not concerned, and we know and you know that Japan would not go forward with this deal if you had raised a high level of opposition.

Mr. BOLTON. We did raise a high level of opposition, and it is not—

Mr. SHERMAN. And then they sent their 550 soldiers, and then you lowered your level of opposition.

Mr. BOLTON. Absolutely not true. I think the treatment, as you yourself have said, of the Japanese agreement in principle on Azadegan is consistent with treatment of European firms than announced deals in Iran during the late 1990s.

The point that I was making and the point that I think has been borne out at the subsequent meeting of the IAEA Board of Governors is that Japan, along with Canada and Australia, together with the United States, took the firmest positions against the activities in the nuclear field that—

Mr. SHERMAN. So we get a strongly worded letter along with the \$2.8 billion.

Mr. BOLTON. You know, I take it, Congressman, that the efforts that we are making multilaterally in the IAEA Board of Governors to refer the Iranian nuclear weapons program to the United Nations Security Council are efforts that you support.

Mr. SHERMAN. I am not sure that we have officially asked for such a referral.

Mr. BOLTON. Yes, we have.

Mr. SHERMAN. It is fine that you are willing to do everything possible to stop Iran from having nuclear weapons as long as it does not inconvenience a single corporation.

Mr. BOLTON. No, no. I really take issue with that. I think it is important here we talk about what we are doing in the IAEA because the Administration, as you know, is frequently accused of being unilateralist, and here is a case where—

Mr. SHERMAN. No, no, no.

Ms. ROS-LEHTINEN [presiding]. Mr. Bolton and Mr. Sherman, we are already past 2 minutes. We will wrap this exchange.

Mr. BOLTON. We are working in the IAEA. We need the support. We need the diplomatic support of Japan and others, and I hope you would join with us in encouraging the Japanese to continue to support these multilateral efforts.

Mr. SHERMAN. I would encourage—

Ms. ROS-LEHTINEN. Thank you very much. Thank you, Mr. Sherman.

Mr. Weller?

Mr. WELLER. Thank you, Madam Chairman.

Mr. Secretary, it is nice to have you with us today. Thank you for appearing before our Committee.

I would like to just focus my question on the subject matter that is the purpose of our hearing, particularly in the President's non-proliferation agenda. I came into this late, so I apologize if some of these questions have been asked before, but I would like to hear from you a greater elaboration on the agenda that the President outlined in his February 11 speech.

Are there some points that you have not had an opportunity to make that you want to share with the Committee this afternoon?

Mr. BOLTON. Well, I think one of the most far-reaching things that the President proposed is a series of measures to make sure that advanced technology, particularly uranium enrichment and plutonium reprocessing technology, are not disseminated in the world more widely than they exist already.

The difficulty that we face under the existing nonproliferation regime is that countries can be in strict compliance with their obliga-

tions under the nonproliferation treaty, and yet in a perfectly legitimate fashion engage in nuclear fuel cycle work that brings them extremely close to a capacity to achieve a weaponized status.

When you combine these legitimate activities, which can be conducted in the open with disclosure to the IAEA, with the prospect of clandestine weaponization work, it is clear that the framework that we are operating under is fundamentally subject to being exploited by countries like Iran as a good example of that.

What the President is proposing and which we are working on particularly in advance of the G-8 Summit at Sea Island this June is to achieve a broad international consensus using the Nuclear Suppliers Group and other mechanisms to try and find ways to fix the loopholes that exist in the nonproliferation regime.

If we were doing the Atoms for Peace program over again, if we had the benefit 50 years ago of the hindsight that we have now, I think we would have structured the program in a fundamentally different way so that the benefits, the civil peaceful benefits of nuclear power, could have been achieved without the attendant risks of proliferation of weapons capabilities that we face.

I think that just as the original Atoms for Peace concept had a strong motivation that sought to use the benefits of nuclear energy while denying the weapons aspect of it to problematic countries, we need to refine that and correct the problems in it.

I do not expect that it is anything that will be resolved by the time of the G-8 summit or even in a few months or a year. This is going to be a long-term effort. I think it is important, even though it sounds like a very technical issue getting into maybe not rocket science, but at least nuclear physics. It is, nonetheless, politically the highest priority for the United States and all of us that want to be free from the risk of continuing nuclear proliferation.

I think it is really a proposal of great vision, far reaching implications, and it is going to require a lot of work. I think having bipartisan support in Congress for the initiative is going to be important in succeeding in our diplomatic efforts as well.

Mr. WELLER. Mr. Secretary, one of the specific initiatives the President proposed was disqualifying someone from serving on the board of the IAEA if their country is under investigation by that very board.

I was wondering. Can you elaborate on how that proposal would work? What is the trigger to trigger such a disqualification, and what would the steps be necessary to make that proposal work?

Mr. BOLTON. Well, one of the anomalies you face in the U.N. system is the way countries get elected to different bodies. Many people have commented, for example, of the irony of Cuba serving on the U.N. Human Rights Commission or in the case of the IAEA's Board of Governors last year Iran, which was the subject of very intense debates for its flat out violations of the Nuclear Nonproliferation Treaty, served on the Board of Governors.

The effort that we are trying to make is to create agreement that it would be a disqualification in effect for a country that is under scrutiny to sit as a judge in its own case. We are in discussion now with our G-8 partners and with others in the IAEA as to how to define those criteria and make it operational perhaps by changes

in the rules or procedure of the Board of Governors of the IAEA and the like.

I think there is broad agreement with the concept that a country under investigation should not serve in a capacity such as Iran was doing. I think it is going to require some work inside the U.N. system to overturn the expectation that you can sit in judgment on your own programs, but I think it is an important innovation that the President has proposed and one that we are working on quite hard at the moment.

Ms. ROS-LEHTINEN. Thank you, Mr. Weller.

Mr. WELLER. Thank you.

Ms. ROS-LEHTINEN. Mr. Delahunt?

Mr. DELAHUNT. Yes. Mr. Bolton, I think we are all concerned about Mr. Khan, A.Q. Khan. I think we can probably agree that when we speak of evil, this is an evil individual. I think you would agree with that.

Mr. BOLTON. I agree with that.

Mr. DELAHUNT. I think some of the questions that have been posed regarding our awareness of what Mr. Khan was doing have not been really fully answered.

You indicated in earlier testimony today that there was no evidence to indicate that Mr. Khan had any involvement with top officials of the Pakistani Government. Is that correct?

Mr. BOLTON. No. What I said was that there was no evidence that the top officials of the Pakistani Government were complicit in or approved his proliferation activities.

Mr. DELAHUNT. Complicit in or approved. Let me use the word aware. Would you also include in that statement that they were unaware of those activities?

Mr. BOLTON. Well, I think it is significant that President Musharraf fired Khan as head of the Khan Research Laboratory in the year 2000. Now, I think it is also——

Mr. DELAHUNT. Could you answer my question, please? Would you agree with me? I do not think we have a debate.

Mr. BOLTON. At some point I think that is clear. Right.

Mr. DELAHUNT. Okay.

Mr. BOLTON. That is why they acted.

Mr. DELAHUNT. You think that the Pakistani Government acted. Why do you think the Pakistani Government acted as they did?

Mr. BOLTON. I think it was a very difficult question for President Musharraf in the face of the internal political dynamic in Pakistan, which has resulted in the past few months in two assassination attempts against him.

Mr. DELAHUNT. I do not mean to be rude, but I am going to interrupt you simply because I want to get to some other questions.

Mr. BOLTON. Okay. Let me just finish this one answer.

Ms. ROS-LEHTINEN. If the gentleman would yield just a second?

Mr. DELAHUNT. Sure.

Ms. ROS-LEHTINEN. I am not going to take away from your time, Mr. Delahunt, but I would like to tell the Members that of course they are free to pursue their line of questioning regarding Pakistan or any line of questioning, but I would like to point out that both the Chairman and the Ranking Member have had classified briefings on this subject and perhaps if they could contact the Chair-

man and the Ranking Member or we could hold another classified hearing on this topic because I know it goes further than what Mr. Bolton is prepared to say in this opening hearing.

Please continue, Mr. Delahunt.

Mr. DELAHUNT. I thank the Chairlady for the indulgence, and I certainly do not intend to ask anything that would evoke a classified response.

Mr. BOLTON. Well, I would not give a classified response, but I think the point is it is difficult to discuss this in an unclassified context, but I think we can say that given Khan's status in Pakistan, the father of the nuclear weapons program, and given the internal dynamic in Pakistan over the past several years that it had not been possible to act with the complete freedom that the government might have wanted to act.

Mr. DELAHUNT. Okay.

Mr. BOLTON. In fact—just one more sentence—it was the exposure of the Iranian nuclear weapons program, the continuing exposure of the Iran nuclear weapons program and Khaddafi's decision to forswear all of his WMD programs, that brought us to the point that it was possible for Musharraf to take the actions that he did, which we have welcomed.

Mr. DELAHUNT. He had a political problem. He could have been aware, but he had a political problem.

Mr. BOLTON. That is correct.

Mr. DELAHUNT. Because there was a CIA assessment that was reported in a recent *New York Times* story that the most active exchange of nuclear and missile technology between Pakistan and North Korea occurred between 1998 and 2002.

Mr. BOLTON. Yes.

Mr. DELAHUNT. Again, and I think that is coterminous with President Musharraf's, then General Musharraf's, role as the head of the military.

Mr. BOLTON. You know, I am in a difficult position because I am not going to comment on newspaper reports about intelligence assessments, particularly when the newspaper report is wrong.

It is very difficult to get into it in a public session, but there is no view on our part that there was a transfer of the kind described in that article. There is no exchange of the kind described in that article.

Mr. DELAHUNT. Let me ask you this. You say there is no evidence out there. What steps has the Administration taken to develop whatever evidence may be available? Have we had access to Mr. Khan?

Mr. BOLTON. There are two broad categories in answer to your question. The first is that there are extensive efforts underway now in a variety of places, not just Pakistan, to expand the body of information we have on the Khan network.

Second, we have been very plain with the Government of Pakistan that we want full cooperation in its ongoing investigation of the Khan network. We believe we have that cooperation as of now. We believe that the Government of Pakistan is complying with—

Mr. DELAHUNT. Let me restate the question. Have we had access to Mr. Khan, Mr. Bolton?

Mr. BOLTON. We have not asked for access to Mr. Khan, nor do we think we should.

Mr. DELAHUNT. Why would we not think we should?

Mr. BOLTON. Because we are satisfied for now that the Government of Pakistan is complying with the commitments they have made to us about the pursuit of the investigation into Khan's activities and the activities of the Khan network. We are not sovereign in Pakistan.

Mr. DELAHUNT. I understand that. We are not sovereign anywhere but in the boundaries of the United States. I respect that. Also, we do have leverage with Pakistan.

Mr. BOLTON. I can assure you, I do not want there to be any misunderstanding. Precisely the concerns and the desire to have information of the kind you are articulating have been conveyed very clearly to the government.

Ms. ROS-LEHTINEN. Thank you very much, Mr. Delahunt.

Ms. McCollum?

Ms. MCCOLLUM. Thank you, Madam Chair.

After September 11, President Bush clearly stated his top priority was to prevent proliferation of chemical, biological and nuclear weapons to terrorist groups, rogue nations who sponsor terrorism, such as North Korea, Iran and Libya. The threat of WMD proliferation led the Bush doctrine to justify the United States military invasion and overthrow of the Iraqi regime. As we know it, no weapons of mass destruction have been found.

Meanwhile, 1 month after September 11, President Bush lifted nuclear related sanctions against Pakistan and General Musharraf's government because it became a vital ally of the United States in the war on terrorism.

We know now that nuclear transfers to North Korea in Pakistan military cargo flights took place as late as 2002. The ship that you spoke of in your testimony in the fall of 2003 in fact was some industrial equipment for nuclear weapons from Pakistan that was being sent to Libya, yet you make the statement that no high level officials knew of this transfer or Mr. Khan's profit of over \$100 million from Libya possibly alone.

The United States invaded Iraq to prevent the spread of mass weapons of destruction, but Pakistan is the world's worst proliferator and has been congratulated by this Administration for its efforts.

I am not comforted and the American people should not feel comforted. In fact, February 5, 2004, *The New York Times* reported General Musharraf saying:

"Pakistan would not hand over all documents from its investigation to the international nuclear inspectors. It would not order an independent investigation into the Pakistani Army's role of proliferation, calling the idea 'rubbish'."

He said he would never allow the United Nations' supervision of the Pakistan's nuclear weapons.

This Sunday on television General Musharraf appeared unconcerned about the consequences of Pakistan's nuclear transfer saying:

“If I handed over a missile or a bomb to any extremist, believe me, he cannot do nothing about it. He cannot explode it.”

Secretary Bolton, in light of Pakistan’s expansive and dangerous network of nuclear weapons proliferation to Iran, North Korea and Libya, should the Bush Administration make billions of dollars of future United States assistance to the Pakistani Government conditional on President Musharraf coming out of the nuclear shadows and entering the community of responsible nations by signing the Nuclear Nonproliferation Treaty?

Is the Bush Administration going to continue to work to protect America’s security and vital interests in nuclear nonproliferation by holding Pakistan accountable, or is the Administration comfortable in accepting President Musharraf’s assurances that Pakistan alone can end its proliferation problem and his belief that even if terrorists were to acquire nuclear weapons, they would not be sophisticated enough to use them?

Mr. Bolton, I have in front of me a copy from *The New Republic* dated March 27, 2004. The title of it is “Daddy’s Girl.” Basically this article states that Khan’s daughter has information in her possession that would be very embarrassing to the Pakistani Government because it implicates very high level officials.

You say you are not aware of any information that might implicate officials, but I would think Mr. Khan’s daughter would be a fairly credible source. Can you comment?

Mr. BOLTON. I am not going to comment on the last in public.

You said in the midst of your statement that we lifted sanctions on Pakistan shortly after September 11. That is true. You are aware, of course, that we lifted sanctions on India at the same time?

Ms. MCCOLLUM. Yes, I am, but India was not involved in selling nuclear weapons technology.

Mr. BOLTON. No, but the sanctions—well, what is your evidence that the Government of Pakistan was involved in selling nuclear weapons technology?

Mr. DELAHUNT. She cannot tell you in open session.

Mr. BOLTON. Okay. Well, let us go into closed session.

Ms. MCCOLLUM. No. Maybe you can get Ms. Rice here too.

Mr. BOLTON. You make allegations, and that is fine. I am happy to discuss them.

Ms. MCCOLLUM. I thought it was general democracy.

Mr. BOLTON. We are trying to base the relationship on evidence.

Let me ask another question. The—

Mr. ACKERMAN. Will the gentlewoman yield?

Ms. MCCOLLUM. Madam Chair?

Ms. ROS-LEHTINEN. Yes?

Ms. MCCOLLUM. I ask questions. I have an election certificate. I would like some answers, and I do not wish to be grilled by Mr. Bolton.

Ms. ROS-LEHTINEN. Well, I think he—

Ms. MCCOLLUM. He is here to testify in front of this Committee. I have every right with the oath of office that I took to ask questions. I asked them respectfully, and I respectfully ask for answers.

Ms. ROS-LEHTINEN. Thank you, Ms. McCollum.

Mr. BOLTON. The point that I made before was that we have no evidence that President Musharraf and the top officials of the Government of Pakistan are complicit in Khan's activities.

Now, if there is evidence that you have that we do not have, I would be delighted to receive it. We have looked for it very carefully. This is an extraordinarily serious matter. If there is evidence that we do not have, we are pleased to receive it.

Ms. ROS-LEHTINEN. Thank you.

Ms. Lee?

Ms. LEE. Thank you, Madam Chair.

Mr. Secretary, I am going to try to ask you a question that can be answered in open session. Basically, I believe that the United States should lead by example. I know many in our company believe that, yet I am concerned that we continue to develop nuclear weapons, and yet we stand for nonproliferation.

How do we convince other nations that they should not develop nuclear weapons or should destroy nuclear weapons when in fact we are on the direct opposite track?

I guess you have not talked much about our own nonproliferation efforts or proliferation efforts in the context of our credibility in the world in terms of our stance toward eliminating the weapons of mass destruction because I believe that always begins at home. I would like for you to give us the status of that.

Mr. BOLTON. Right. Well, the fundamental structure of the nonproliferation treaty divides states party to the treaty into two categories. There are five legitimate nuclear weapons states recognized by the treaty, and all other adherence to the treaty are non-nuclear weapons states by their own decision to accede to the treaty.

The fact is that from the outset all of the countries that participate in the nonproliferation regime understood that there were two separate categories of countries. With respect to—

Ms. LEE. The categories of countries, those five countries, we are part of that, right?

Mr. BOLTON. Yes, that is correct.

Ms. LEE. The five countries that can continue to develop nuclear weapons?

Mr. BOLTON. Right. What the Bush Administration has done is negotiate and sign in May 2002 a treaty, the Treaty of Moscow with Russia, that puts us on a course over a 10 year period to reduce the number of our operationally deployed strategic nuclear warheads from approximately 6,000 to a range of between 1,700 to 2,200 so that over a 10 year period we will be reducing the number of operationally deployed strategic warheads by over two-thirds.

I think that is both a reflection of the circumstances we face in the world as a whole and I think also a reflection of the commitment that the President has made on several occasions to reduce our stockpiled nuclear weapons to the lowest level possible consistent with our national security.

I think achieving a goal over a 10 year period of a two-thirds reduction gives us very substantial credibility when we talk about proliferation with other countries.

Ms. LEE. Tell me the status a little bit of the research that is going on now in terms of nuclear weapons development at some of our labs.

Mr. BOLTON. Well, I think there are two categories of issues there. The first and I think the most important is the work that we are doing in connection with the Stockpile Stewardship program, the efforts that we have undertaken and that have been underway for quite some time to assure the safety and reliability of the existing nuclear deterrent.

Although we are continuing the moratorium on testing, the question of the safety and the reliability of the deterrent are extremely important because, number one, if the safety of the deterrent were called into question it would be the gravest concern to all of us for the possible effect that it would have if that safety were not up to our standard. Likewise, if reliability were called into question the very efficacy of the deterrent itself would be undermined.

I think that consideration is being given to a wide variety of measures that would enhance the security and reliability of the deterrent, and I think that is appropriate. I think there has also been testimony in support of the Administration's request for appropriations for research into the design of smaller, different kinds of nuclear weapons that I think is entirely appropriate as part of a commitment to make sure that the deterrent maintains its value.

That is not a question of proliferation since, as I said at the outset, by definition we are a legitimate nuclear weapons state. We are not proliferating to anybody.

Ms. LEE. Well, maybe I guess the concern I have is it seems like that would almost be an oxymoron, a legitimate nuclear state, but I understand what you are saying.

What are the other countries that are legitimate nuclear states?

Mr. BOLTON. China, Russia, the United Kingdom and France.

Ms. LEE. Okay. So outside of those countries, none of the other countries have nuclear weapons? I mean, do not have nuclear weapons, but how do you see our nuclear nonproliferation policy then for those other countries?

Mr. BOLTON. Well, within the context of the nonproliferation regime there are a number of countries that have acceded to the treaty as non-nuclear weapons states that are quite obviously in violation of the treaty, Iran being a good example.

There are other states that are nuclear powers that are not part of the treaty system at all, and the question I was exploring with Congresswoman McCollum a minute ago, and I did not get very far on it, was the issue of two states, India and Pakistan, which are quite clearly in possession of nuclear weapons that have made it clear that they do not intend to sign the Nuclear Nonproliferation Treaty and give up their nuclear weapons. That applies both to Pakistan and to India.

Ms. LEE. So we have legitimate nuclear states, and then we have non-legitimate nuclear states, and then we have non-nuclear states? I am just trying to get an understanding of how we break it down in terms of the past.

Mr. BOLTON. Well, it seems to me within the context of those states party to the nonproliferation regime, when countries have signed on as non-nuclear weapons states and yet they are pursuing

or have a nuclear weapons capability, they are in violation of the nonproliferation treaty.

There are other states that have a nuclear capability that are not part of the treaty, so in terms of their adherence or non-adherence to the NPT, they are not in violation of it because they are not party to it.

Ms. LEE. Okay.

Ms. ROS-LEHTINEN. Thank you very much, Ms. Lee.

Ms. LEE. Thank you, Madam Chair.

Ms. ROS-LEHTINEN. Ms. Watson?

Ms. WATSON. Mr. Secretary, thank you for being here today as we discuss "The Bush Administration and Nonproliferation: A New Strategy Emerges."

I was quite concerned a couple of years ago when we heard the President say in a State of the Union speech that there was an axis of evil—Iraq, Iran and North Korea. I have heard since that time a go-it-alone attitude, so I am reading from page 2 of our materials that the President has a proposal, and there are certain phrases in his proposal that give me pause to question whether or not if these proposals became part of an agreement and based on our prior action in Iraq would this country go it alone.

Let me read you the proposal language. There is one phrase that said "shutting down facilities." My question is, and you do not have to answer now, who would shut down the facilities?

Now, he also proposes pass a U.S.-sponsored U.N. Security Council resolution requiring all states to criminalize proliferation, enact strict export control and secure all sensitive material within their borders. Who would do this?

There is another point. Make signature of the additional protocol a prerequisite for any nuclear imports. Who would monitor and do that?

Based on past behavior, I have real question to pause that if the United States proposal is not joined do we become the overseer, the watch dog? Do we go it alone? Can you respond?

Mr. BOLTON. The first proposal that you mentioned was made by the President in connection with the expansion of the proliferation security initiative to have broader inclusion of law enforcement methods and assets in the pursuit of the black market in weapons of mass destruction.

The proliferation security initiative from the outset and in fact now embodied in the statement of interdiction principles agreed to by the PSI core group members last September has said that all PSI activity will be consistent with national and international authority so that tying in with the other suggestion that you mentioned that the President made in his speech to the General Assembly last fall for enhanced national criminalization of WMD-related activity, that would mean that we are seeking work by other nations to tighten up their criminal justice systems in ways consistent with ours and most of the other OECD countries to enhance their national law enforcement authorities in ways that would allow us to be more effective together in stopping WMD trafficking.

It is not a question of trying to criminalize this on an international basis. The irony is that many states, for example, that are parties to the Chemical Weapons Convention, which prohibits the

manufacture or use of chemical weapons, do not have national statutes that criminalize the activity in their own country.

Ms. WATSON. Mr. Bolton, let me stop you right there. I am reading from a speech that the President made, and I hope all of this is recorded.

Madam Chair, I hope that everything that is said—

Ms. ROS-LEHTINEN. Yes, of course.

Ms. WATSON [continuing]. Goes down on the record.

Ms. ROS-LEHTINEN. Thank you, Ms. Watson. Of course it does.

Ms. WATSON. What I am doing is reading from a proposal that the President made at the National Defense University on February 11, 2004.

President Bush announced new measures to counter the threats of weapons of mass destruction. I am reading from what the President proposed. At the bottom of this, and this comes from our Chair, it says:

“At this point, there is still little information about the implementation of these proposals.”

I am asking you as a Secretary from the State Department what do these words mean? If such measures were confirmed, joined, agreed, who then would be responsible for shutting down facilities? We went into Iraq to shut down an administration. We invaded a sovereign nation.

I heard you say a few minutes back we do not have sovereignty in Pakistan. We went in in spite of what other nations did. We had a few with us, the coalition of the willing. I question if this proposal was joined who has the responsibility for enacting/implementing this proposal?

Mr. BOLTON. The states that are prepared to cooperate together to engage in the activity, that is what the proliferation security initiative is all about. We envisage cooperative activity.

In many respects, if we had states that had taken the President's earlier suggestion to enhance the criminal authorities that they possess against WMD-related activities then they would be in a position to shut down laboratories, disrupt financial networks and the other things the President had suggested.

In the absence of those authorities—

Ms. WATSON. Let me ask you a question. Would we go it alone if this proposal was joined? Would we go it alone?

Mr. BOLTON. We have the authority within the United States to go it alone against—

Ms. WATSON. No.

Mr. BOLTON [continuing]. Manufacturers, traffickers, financiers that are engaged in the activity within our own country.

Ms. ROS-LEHTINEN. Thank you, Ms. Watson. If you could just wrap it up in the next few seconds?

Ms. WATSON. Okay. I am very fearful with this proposal that the United States would go it alone, and I would hope that in subsequent hearings we could get some actual feedback of what the intentions are should this proposal be absolutely confirmed and affirmed and joined.

Thank you.

Ms. ROS-LEHTINEN. Thank you, Ms. Watson.

Mr. Schiff? So sorry. Mr. Rohrabacher? Sorry, Dana. I did not look. Sorry.

Mr. ROHRABACHER. Yes. Thank you very much. I just was over at a meeting with our Italian friends. The Italian aerospace industry, as you know, works with us very closely in many of our aerospace goals.

Mr. Bolton, could you please compare this Administration's pursuit of anti-terrorism and anti-proliferation in terms of these policies? Could you compare that to the Clinton Administration?

Sometimes I just think that people like to compare George Bush to someone who is perfect. It is sort of like looking for the perfect spouse. You are never going to find the perfect spouse. You have to compare people to reality.

Maybe you just can compare what we are doing as compared to all of the great accomplishments in this area of the last Administration?

Mr. BOLTON. Well, I think one of the things that has motivated us particularly since September 11 is the obvious fact of, unfortunately, widespread noncompliance with existing treaty obligations.

Many states that said that they were complying with the Nuclear Nonproliferation Treaty, for example, like Iran, like North Korea, had signed up to these obligations and in fact were violating them, and indeed in some cases, and I have elaborated in the testimony, were actually benefitting from cooperation provided through the IAEA.

We have felt that where it is clear that either national law enforcement systems or the international treaty and export control regimes has been inadequate that we needed to do more; that it was not simply enough to rely on countries signing up to agreements that they were not prepared to comply with.

That is one reason that the President has pressed so hard for the proliferation security initiative. It is not intended to replace the nonproliferation treaties of the export control regimes, but is intended to address the obvious fact that they are not completely successful.

Mr. ROHRABACHER. Let me get a little more specific with you. For example, let us use an example, North Korea. It just seems to me that I was sitting in this room, and during the last Administration I just seem to remember that their policy was providing basically a subsidy of hundreds of millions of dollars of taxpayer money that eventually went to North Korea, and then the North Koreans were in reality thumbing their nose at us and lying to us about it.

Now, I am not sure about the dates, but was it not in this Administration that we determined that the North Koreans were lying and so, comparing the two, the last Administration subsidized somebody who was in North Korea in their quest to build nuclear weapons, and this Administration is calling them on the carpet?

Mr. BOLTON. Right. We concluded about a year and a half ago that the North Koreans were violating the agreed framework that was put in place in 1994 where they had committed to completely abandon the pursuit of nuclear weapons, and indeed A.Q. Khan's recent confession I think shows fairly dramatically that even after they had signed up to the agreed framework to stop the plutonium route to nuclear weapons that the North Koreans at some point

very soon thereafter began the pursuit of nuclear weapons through uranium technology.

So in the last Administration, the North Koreans moved forward dramatically even with American subsidy to develop the nuclear weapons. What about Libya during the last Administration? Was Libya deeply engaged in this during the last Administration and now have they not done a reversal in this Administration?

Mr. BOLTON. Yes. I think unclassified CIA reports going back to the year 2000 said that Libya began moving very actively in the nuclear and other fields with the suspension of the U.N. sanctions on PanAm 103.

Mr. ROHRBACHER. All right. What about Pakistan? During the last Administration, we now find that during the entire time of the last Administration Pakistan was deeply involved in developing its nuclear weapons, and although the last Administration did actually take some steps, but Pakistan then began to be a proliferator rather than just a developer during the last Administration.

So in Libya, in Korea, in Pakistan, during the last Administration, and I might add if you look back I think you will see the same is true for Iran. In all of these situations, when comparing this Administration to the perfect Administration it does not look too good, but when you compare it to the last Administration I think we get about an A++.

Mr. BOLTON. Well, I think with respect to North Korea, I think Secretary Powell put it absolutely right on target when discussing how you deal with North Korea and looking at the agreed framework. He said we are not going to buy that horse again.

Mr. ROHRBACHER. Thank you very much, Madam Chairman.

Ms. ROS-LEHTINEN. Thank you, Mr. Rohrabacher.

Mr. Schiff?

Mr. ACKERMAN. Would the gentleman yield?

Ms. ROS-LEHTINEN. I have been kind enough to let all the Members run over their time, including Mr. Rohrabacher. If we could just get this moving, Mr. Ackerman, and in a minute I will recognize you.

Mr. Schiff?

Mr. SCHIFF. Thank you, Madam Chair. You know, I was not really going to pursue this line, but as my colleague from California has raised it I think we should follow it through.

First of all, if you compare the last Administration with the current Administration, I recall in the early months of 2001 that the current Administration was proposing to radically cut Nunn-Lugar, so far from initiating a strong nonproliferation regime at the outset of this Administration, in the months prior to 9/11 the Administration's budget actually made massive cuts to Nunn-Lugar, which I think was a very significant step in the wrong direction. Subsequent to 9/11, those cuts were restored and then some, which I think has been positive. Since that point, often the obstruction has come from the Congress, not the Administration.

Since my colleague in particular raised the case of North Korea, I would like to ask by what measure, by what barometer, can we say that we are better off vis-a-vis North Korea today than we were 3 years ago because it seems to me the experience of the last 3

years has been an increase in the rate of acceleration of North Korea's nuclear program, not a deceleration.

While there were obvious flaws with the policy of the prior Administration, whereas the North Koreans were cheating on the agreed framework, it certainly I think can be said that the current success of this Administration's policy, if it can be argued is no worse, has certainly been no better in achieving its results.

I would like to ask at the outset by what measure are we better off vis-a-vis North Korea and its nuclear program than we were 3 years ago?

Mr. BOLTON. Well, first perhaps I could address an error in your statements about the programs in the former Soviet Union dealing with their weapons of mass destruction.

The Administration began a review of those programs when it came into office, a comprehensive review of those programs that had never been undertaken before, and I think that that review was quite important. There were some modifications made that strengthened them, and I think that those modifications received broad support in Congress.

Subsequently working together with Canada and with the other G-8 leaders, but at the initiative of President Bush, the G-8 created the global partnership for the elimination of weapons of mass destruction and weapons of mass destruction related activities—

Mr. SCHIFF. Mr. Bolton? Mr. Bolton, if I could interject?

Mr. BOLTON [continuing]. And doubled the funding for that.

Mr. SCHIFF. My point was that the Administration cut its budget for Nunn-Lugar. Is that not correct? Did the Administration propose a greater budget than the Clinton Administration had in Nunn-Lugar in the first months of 2001?

Mr. BOLTON. The result of the overall review was essentially straight line funding for all programs dealing with weapons of mass destruction in the former Soviet Union of slightly over \$1 billion a year, which was the rate of funding that was being appropriated at the end of the last Administration and the beginning of this one.

Mr. ACKERMAN. Will the gentleman yield?

Mr. SCHIFF. Mr. Ackerman, I will be glad to yield if I have any time left, but I would like to make sure I have a chance to hear the answer to the question vis-a-vis whether we are better off now on North Korea.

The final question I would like to ask, in case the clock runs on me, is I agree the essential bargain of the NPT in hindsight is not a particularly attractive one. One suggestion that has been made by Dr. El Baradei is that we or other nations provide the raw nuclear material for reactors, and then we take the spent product back as a way of getting away from the bargain of Atoms for Peace that will enable you to develop the enrichment capability, et cetera, which can lead you very far along the path of developing a bomb.

I would like your opinion after you address North Korea on Dr. El Baradei's suggestion.

Mr. BOLTON. The situation that existed with respect to North Korea when the Administration took office was that North Korea was violating the agreed framework, was actively engaged in a production scope procurement effort to acquire the capability to do

uranium enrichment to be used in nuclear weapons, and the United States and others were supplying resources to the North Korean regime that in effect were propping that regime up.

By exposing the North Korean deception and violation of its obligations under the agreed framework, I think that we contributed to the isolation of North Korea, contributed to a heightened awareness of the threat that North Korea's pursuit of nuclear weapons posed and led directly to the effort that we are engaged in now through the six party talks. Everybody engaged in the six party talks.

Mr. SCHIFF. Mr. Bolton, do you think we are better off now that North Korea has reprocessed its spent fuel?

Mr. BOLTON. It is not at all clear, Congressman, when North Korea began reprocessing the plutonium, but the plutonium is only one side of the North Korean nuclear weapons effort.

The uranium enrichment side, about which unfortunately we know not as much as we would like, provides a completely separate route that simply continuing to keep the agreed framework in place, as many argued, would have permitted the North Koreans to continue to advance toward nuclear weapons through that route. I think that would have been an extraordinarily dangerous situation if we were confronted with it once that had become a fact.

The other thing that we have done that is extremely significant is to take active steps to cut off the funding sources for North Korea without which its nuclear weapons program and indeed much of the support for its elite could not exist through the proliferation security initiative to deny the North Koreans the hard currency that they get from the proliferation of ballistic missiles into the Middle East and elsewhere in their overall weapons program, to work with Japan and others to cut down their illegal activities in that country and to work with a number of countries, including Australia, to cut off North Korea's illegal drug trade, to take active steps to deny the North Koreans access to financial resources that are critical to continuing their nuclear program.

Mr. SCHIFF. And yet, Mr. Bolton, you would not prefer to have a North Korean nuclear program at its current stage of development over the North Korean nuclear program at its stage of development 3 years ago, would you?

Mr. BOLTON. 3 years have gone by, 3 years during which without the policies we pursued the North Koreans almost certainly would have been continuing their efforts in uranium enrichment.

I think this is a real blind spot that some people have that looking at the spent fuel rods beyond is not necessarily the center of the threat posed by North Korea. It was their clandestine production scope procurement efforts in the uranium enrichment field violating the agreed framework and calling into question fundamentally their willingness to agree to any resolution.

Ms. ROS-LEHTINEN. If you could wrap up your question, Mr. Schiff?

Mr. SCHIFF. Thank you, Madam Chair. I will just wrap up this way.

Mr. Bolton, I do not deny that North Korea is a very tough problem. It is, and I am not sure there is any perfect policy, but I do not think there is any question but we are at a worse stage now

with North Korea than we were 3 years ago, and I think it indefensible to argue that we are better off now with North Korea's nuclear program where it is today than we were 3 years ago.

Now, it may have been that a different policy would have similarly failed, but this policy has borne very little fruit, and I think unless we acknowledge that we are not being candid about what is taking place in North Korea.

Ms. ROS-LEHTINEN. Mr. Schiff, I know that all of you want to get into this discussion. I have been very generous in allowing all the Members to go way over their time limit, and I will ask them to please submit their follow up questions in writing to Mr. Bolton, who I know will be eager to respond.

I will also pass on to the Chairman and the Ranking Member the eager interest of our Members to continue these discussions both in an open and a closed format, and I will make sure that I will tell both of them of our strong interest.

I also have a set of questions that in the interest of time and to our next panelists I will submit to you in writing, Mr. Bolton. I would now like to thank you for your testimony.

Mr. ACKERMAN. Madam Chair?

Mr. DELAHUNT. Madam Chair?

Ms. ROS-LEHTINEN. I will recognize Mr. Ackerman to make a 1-minute final statement. We are all running over. Mr. Ackerman?

Mr. ACKERMAN. Thank you. Let me thank the Chair for her fairness which she has always exhibited in the conduct of this meeting and meetings of our Subcommittee in particular.

Let me just say for the Democratic side, which has a great interest, as I know so many of our Republican colleagues do, in this issue that some of us feel that the clock has been run on us, certainly not by the Chair or the Chair of the Full Committee, but the fact that Mr. Bolton has chosen, and possibly very appropriately so, to so fully answer all of the questions that we did not have time to do the follow up questions, and perhaps he did not hear so many of the Members who accepted the initial part of his answer and wanted to ask other questions.

As rarely happens, there are some Members who have additional questions, as you know, who feel that their first questions were not fully answered.

Ms. ROS-LEHTINEN. Correct.

Mr. ACKERMAN. We would appreciate if we could have another session with Mr. Bolton.

Ms. ROS-LEHTINEN. Right, and I will make sure that I follow up with that with our Chair and our Ranking Member.

Thank you again, Mr. Bolton, for being here today.

Mr. BOLTON. Thank you, Madam Chairman.

Ms. ROS-LEHTINEN. I also would now like to introduce our second panel.

I know that Mr. Rohrabacher was dying to get into that next round, so I will pass that on.

Thank you, Mr. Bolton.

I would like to welcome Mr. Henry Sokolski to today's hearing. Mr. Sokolski is the Executive Director of the Nonproliferation Policy Education Center, a non-profit organization founded in 1994 to promote better understanding of proliferation issues. During the

first Bush Administration, Mr. Sokolski served as Deputy for Nonproliferation Policy in the Office of the Secretary of Defense and prior to that in the Office of Net Assessment.

Mr. Sokolski has authored and edited a number of works on proliferation related issues, including *Best Intentions: America's Campaign Against Strategic Weapons Proliferation*, and I would like to add the Committee's congratulations to Mr. Sokolski. He is getting married in London later this week and was good enough to change his travel plans to accommodate our schedule.

He was taking Mr. Rohrabacher's advice of looking for that perfect spouse. Apparently Mr. Sokolski has found her, and I am told that our thanks should properly go to his lovely fiance without whose gracious grant of permission he would not be here today. We welcome you to the world of joint decision making. Thank you very much.

Next we will hear from Joseph Cirincione, who is a Senior Associate of the Nonproliferation Project at the Carnegie Endowment for International Peace in Washington.

Previously he was a member of the professional staff of the House Committee on Armed Services and of the Committee on Government Operations. He also served as Staff Director of the Military Reform Caucus under Congressman Tom Ridge, as well as Congressman Charles Bennett. He is the author of *Deadly Arsenals: Tracking the Weapons of Mass Destruction*. We welcome you today.

Victor Gilinsky was Commissioner of the Nuclear Regulatory Commission during the Ford and Carter Administrations. He has held senior positions at the Atomic Energy Agency and the Rand Corporation, among others.

Currently, Mr. Gilinsky is a consultant to energy firms principally in the area of civilian nuclear power. Mr. Gilinsky earned his Bachelor's degree in Engineering Physics at Cornell and his doctorate in Physics at the California Institute of Technology, and we welcome you to our Committee.

We are honored to have all of you appear today. Please proceed with your 5 minute summary of your statement, and the full statement will be made part of the record.

Mr. Sokolski? Congratulations. Mazel tov.

**STATEMENT OF HENRY D. SOKOLSKI, EXECUTIVE DIRECTOR,
NONPROLIFERATION POLICY EDUCATION CENTER**

Mr. SOKOLSKI. Thank you. You are right. I have found the perfect mate, and it is hard to focus on life/death issues like the end of the world as a result, so I will try to stay focused as much as I can.

I want to thank you and the Committee for inviting me here today to testify regarding the Bush Administration's nonproliferation policy. The Administration has focused I think more than any other on the issue of nonproliferation enforcement.

Its actions in the cases of Iraq, North Korea, Libya and Pakistan have set a clear set of precedents and prompted the most serious debate about nonproliferation controls since India tested its first nuclear device in 1974.

I think the most important aspect of this debate, and one I welcome is how best to rectify the Nuclear Nonproliferation Treaty or NPT.

As President Bush noted in his February 11th speech, this treaty has been cynically manipulated to enable proliferators to use the development of civil nuclear energy as a cover to get what they need to make bombs. They have done this by twisting the NPT's call for the sharing of peaceful nuclear technology into an unqualified right, and I emphasize that. An unqualified right.

This is something it clearly is not. Even as a casual reading of the NPT's first two articles make clear, nuclear weapons states must not in any way assist non-weapons state members to make or acquire nuclear weapons, and non-weapons states must not seek or receive any such assistance.

When the NPT does speak about the unalienable right members have to develop nuclear energy, it explicitly circumscribes this right by demanding that it be exercised "in conformity" with these prohibitions. As such, it is a mistake to think it is a loophole. Instead it is our lack of will to properly enforce the right view of this treaty that gets us into trouble.

I think unfortunately for too long we have not made enough effort to spell out what "in conformity" means, and I take what Mr. Bush has done in his February 11 speech to be aimed primarily to tackle this issue. He has rightly emphasized that states seeking to develop nuclear energy have no need for materials that can be used directly to fuel bombs—that is separated plutonium and highly enriched uranium—or the uranium enrichment and plutonium reprocessing plants required to produce these materials.

Towards this end, President Bush has proposed seven initiatives to reduce terrorists' and proliferators' accessibility to such materials and the number of states that might operate these plants to produce them.

These proposals are the first tough Presidential measures we have seen to enforce the NPT since the Ford and Carter decisions in the mid-1970s to discourage the commercial use of nuclear weapons usable fuels. To be effective, though, they need to be backed up and fortified, I believe, by additional steps that would apply not only against nations that lack nuclear weapons, but to ourselves and to others that have them.

In specific, we need to do several things, and for purposes of brevity I am only going to highlight half of what I laid out, which was regrettably quite long in the written testimony.

First, I think it would be useful if we suspended efforts now to sell controlled nuclear goods to countries that export nuclear commodities to proliferators in defiance of the Nuclear Suppliers Group guidelines. This precept would not only encourage us to protest China's recently announced sale of reactors to the world's worst proliferator, Pakistan, but also to hold up United States, French and Japanese efforts to sell reactors to China.

Second, I think we need to start viewing large civilian nuclear projects, including nuclear power plants, desalinization plants, and large research reactors and the proposed regional fuel cycle centers, which is something the IAEA has pushed, with suspicion if they

are not privately financed or approved after an open international bidding process against less risky alternatives.

Promoting this tenant would not only spotlight countries like Iran that refuse to allow non-nuclear energy alternatives to compete openly to supply Iran's electrical power needs; it would discourage U.S. and allied governments from building large nuclear commercialization projects and subsidizing nuclear power with billions, as was proposed in last year's energy bill, which thankfully was defeated.

Third, get as many declared nuclear weapons states as possible to agree henceforth not to redeploy nuclear weapons on any other state's soil in peacetime. This could help thwart rumored schemes to have Pakistan legally transfer nuclear weapons under its control to Saudi Arabia. This is a loophole in the NPT. It is allowed.

It also would allow the U.S. to get credit for what it has already begun to do, and that is withdraw unnecessary overseas basing of obsolete tactical nuclear weapons. Finally, it would allow us to establish some restraints over the nuclear weapons states that have not signed the NPT.

Finally, the last recommendation that I would like to highlight is that we need to encourage the U.N. to adopt a set of country-neutral rules against nations that the IAEA and the United Nations Security Council cannot clearly find in full compliance with the NPT.

Rather than wait upon either of these international bodies to find a specific country in clear violation of the NPT and impose particular sanctions—something they are loathe to do—the U.S. and its allies should spell out in advance what steps should be taken against any country that the IAEA and the U.N. Security Council cannot clearly find to be in full compliance.

A list of rules developed in private consultation with U.S. and allied officials that I believe would be useful to pursue in upcoming U.S., NATO, G-8, and the IAEA meetings in June is included in my written testimony, and I would ask the Chairman that the attachments to the testimony be included in the record as well.

Thank you very much.

[The prepared statement of Mr. Sokolski follows:]

PREPARED STATEMENT OF HENRY D. SOKOLSKI, EXECUTIVE DIRECTOR,
NONPROLIFERATION POLICY EDUCATION CENTER

BUSH'S GLOBAL NONPROLIFERATION POLICY: SEVEN MORE PROPOSALS

Mr. Chairman, members of the Committee, thank you for inviting me to testify today on the Bush Administration's nonproliferation policies. Let me say at the outset that the Bush Administration is unique and deserves credit in emphasizing nonproliferation enforcement, particularly in the cases of North Korea, Iraq and Libya. The example the Administration has set in these cases has prompted the most significant debate about how to strengthen nonproliferation since India exploded its first bomb in 1974. We need to exploit this window of interest to toughen nonproliferation enforcement, close as many loopholes as we can, and do so in as country-neutral a fashion as possible.

Towards this end, the Administration itself has proposed a new, tougher set of nonproliferation rules. By far the most important of these have to do with preventing the spread of nuclear weapons and here nearly all of these suggestions can be found among the seven specific proposals the President made February 11, 2004 in an address at the National Defense University (NDU). These proposals are significant. Properly understood, they recommend a sounder reading of the Nuclear Nonproliferation Treaty (NPT), one that is truer to the NPT's original intent and

that deflates the mistaken treaty interpretations that have enabled North Korea, Libya, Iran, and earlier, Iraq to acquire much of what is needed to make bombs.

President Bush rightly characterized these misguided views as a “cynical manipulation” of the NPT. In specific, those who want to acquire or share nuclear weapons technology have twisted the NPT’s call for the sharing of peaceful nuclear technology into an *unqualified* right to “the fullest possible exchange of equipment, materials and scientific and technological information.” This it clearly is not. As the NPT’s first article makes clear, no nuclear-weapons state party to the NPT (the U.S., Russia, China, France or the United Kingdom) is permitted to “in any way . . . assist, encourage, or induce any non-nuclear-weapon state to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices.” Similarly, the NPT’s second article prohibits all other members of the treaty from “manufactur[ing] or otherwise acquir[ing] nuclear weapons” and from “seek[ing] or receiv[ing] any assistance in the manufacture of nuclear weapons.” When the NPT speaks, as it clearly does in Article IV, about “the inalienable right” of NPT members to develop nuclear energy “without discrimination,” it explicitly circumscribes this right by demanding that it be exercised “in conformity” with these two articles.

For years, too little effort has been made to spell out what “in conformity” means. This is what President Bush tackled in his February 11th address. He rightly emphasized that, nations seeking to develop peaceful nuclear energy have no need for either materials that can be used directly to fuel bombs—separated plutonium and highly enriched uranium—or the uranium enrichment and the plutonium reprocessing plants required to produce these materials. As such, he proposed that the world’s leading nuclear suppliers of relatively safer lightly enriched uranium fuel only supply this fuel to nuclear energy developing states that are willing to renounce trying to build enrichment and reprocessing facilities themselves. He further proposed that nuclear supplier states should refuse to sell enrichment and reprocessing and equipment or technology to any state that does not already “possess full-scale functioning enrichment and reprocessing plants.”

Beyond this, the President proposed to strengthen international efforts to interdict illicit nuclear shipments and procurement networks, do more to reduce the accessibility to nuclear weapons usable materials, and tighten procedures at the U.N. nuclear watch dog agency, the International Atomic Energy Agency (IAEA). Finally, President Bush urged that within a year, no nuclear supplier should export nuclear equipment to any state that has not yet signed a new, tougher inspections agreement with the IAEA known as the Additional Protocol.

Mr. Chairman, all of these proposals constitute a needed departure from nuclear business as usual. They all give teeth to the NPT’s prohibitions against the export and acquisition of nuclear weapons and constitute a useful extension of President Ford’s and President Carter’s call nearly 30 years ago to discourage the use of nuclear weapons-usable fuels for commercial purposes. These proposals, though, should not be seen as being all that’s required, but rather as first steps. In fact, several additional measures logically follow from the President’s seven proposals and will need to be pursued to assure the success of the Administration’s policies and of nuclear restraint generally. In specific, building on the Bush proposals, the U.S., other nuclear suppliers and like-minded states will also need to

1. *Suspend efforts now to sell nuclear goods to proliferators or countries that export nuclear commodities to proliferators in defiance of the Nuclear Suppliers Group (NSG) Guidelines.*
2. *View large civilian nuclear projects, including nuclear power and desalinization plants, large research reactors, and regional fuel cycle centers, with suspicion if they are not privately financed or approved after an open bidding process against less risky alternatives.*
3. *Starting with the US, but including Pakistan and India, formally get as many declared nuclear weapons states as possible to agree henceforth not to redeploy nuclear weapons on to any other state’s soil in peacetime and to make the transfer of nuclear weapons usable material to other nations illicit if the transfer is made for a purpose other than to dispose of the material or to make it less accessible.*
4. *Refuse to sell or buy any controlled nuclear items or materials to or from new states attempting to develop enrichment or reprocessing plants.*
5. *Demand that states that fail to declare nuclear facilities to the IAEA as required by their safeguards agreement dismantle them in order to come back into full compliance and disallow states that are not clearly in full compliance from legally leaving the NPT without them first surrendering the nuclear capabilities they gained while an NPT member.*

6. *Support UN adoption of a series of country-neutral rules that track the recommendations above to be applied to any nation that the IAEA and the United Nations Security Council (UNSC) can't clearly find in full compliance with the NPT.*
7. *Build on the successful precedent of Libya's nuclear renunciation by getting its neighbors, starting with Algeria, to shut down their largest nuclear facilities.*

What do these proposals entail? How do they relate to the President's efforts? Why do they deserve attention now? To answer these questions, each of the proposals is examined more closely below.

1. *Suspend efforts now to sell nuclear goods to proliferators or countries that export nuclear commodities to proliferators in defiance of the Nuclear Suppliers Group (NSG) Guidelines.*

Nearly half of President Bush's seven nuclear nonproliferation proposals were aimed at restricting what nuclear suppliers can export under the guidelines of the Nuclear Suppliers Group—a multilateral nuclear control regime. One of the most important of his proposals is “that by next year, only states that have signed the Additional Protocol be allowed to import equipment for the civilian nuclear programs.” This is a sensible restriction but it ought not to wait. Indeed, its credibility may be undermined if we fail to speak up and act to back it now. In this regard, a clear test case is China's recently announced reactor sales to the world's worst proliferator, Pakistan, a nation that has neither allowed full-scope IAEA safeguards (as required by the NSG) nor signed the Additional Protocol. China announced January 27, 2004 that it intends to become full-fledged member of the NSG. Yet, only weeks later, news reports emerged detailing Chinese plans to build Pakistan two large plutonium producing reactors. The NSG guidelines exclude such sales: NSG members are not supposed to sell any controlled nuclear items to states that do not allow the IAEA to inspect all of their nuclear facilities. Technically, of course, China can claim it can make these sales because it is not yet formally a member of the NSG. Yet, this hardly recommends our being silent. Certainly, if we can't see anything wrong sufficient to publicly protest these reactor sales to Pakistan—a country that can hardly justify the financial extravagance of two new nuclear power plants, has the world's worst proliferation record, and is the least bound by nonproliferation pledges or agreements—on what basis could we protest any other nation's nuclear imports? Yet, to date, there is no evidence that the U.S. or any of its allies have protested. Instead, our government apparently is preparing to do all it can on the Vice President's April Beijing visit to sell China a heavily U.S.-subsidized Westinghouse reactor design, known as the AP 1000. This pitch could not be more poorly timed. Admittedly, the French and the Japanese are also trying to sell reactor to China; so there is competition. Still, it would make far more sense for the U.S. to protest China's sale to Pakistan and to urge Japan and France to join us in withholding nuclear sales to China until it drops its proposed reactor bid to Pakistan. China should at least be urged to hold off until Pakistan reveals all it knows about its proliferation activities. Such an appeal is clearly within our power to pursue. To fail to do so now simply suggests we are not serious about the President's proposal, backing or strengthening the NSG, or promoting nuclear restraint in general

2. *View large civilian nuclear projects, including nuclear power and desalinization plants, large research reactors, and regional fuel cycle centers with suspicion if they are not privately financed or approved after an open bidding process against less risky alternatives.*

Among the most important of President Bush's proposals are those that would restrict fresh reactor fuel exports to nations that fail to renounce enrichment and reprocessing and to ban reprocessing and enrichment exports states that do not already have “full-scale functioning enrichment and reprocessing plants.” As the President noted in his February 11th NDU speech, these steps are essential to prevent new states from making nuclear weapons fuel. This is not because we can detect covert reprocessing or enrichment activities in a timely fashion. As our experience with Iran's and North Korea's covert enrichment and reprocessing activities demonstrates, we cannot. Nonetheless, it is still important to make new reprocessing and enrichment activities illicit if only to prevent discovered covert reprocessors and enrichers from legally excusing themselves by claiming (as Iran did) that they merely “forgot” to notify the IAEA of their activities. Making the mere possession of such facilities illicit should at least make exposed covert reprocessing and enrichment activities clearly out of bounds. That said, the only sure-fire technical safeguard against suspect nations possibly acquiring nuclear weapons quickly is to prevent them from acquiring significant amounts fresh lightly enriched fuel or generating significant quantities of spent reactor fuel. Lightly enriched uranium can be

fed into a covert enrichment line to make a bomb's worth of highly enriched uranium in a matter of days; spent fuel can be covertly reprocessed to extract a bomb's worth of plutonium just as quickly. Both of these materials are part and parcel of any large reactor's operation. This means that we will not only need a rule that will help make suspect reprocessing and enrichment-related facilities illicit, but a country-neutral way to spotlight suspect nuclear reactors as well. How might this be done? Fortunately, Adam Smith's invisible hand of free markets and competition can help. As it turns out, many large commercial nuclear projects and *all* suspect nuclear projects in less developed nations are demonstrably uneconomical as compared to less risky options. Nuclear power and desalinization plants have significantly higher capital costs than their nonnuclear alternatives. In less developed countries, the performance of these plants has been abysmal. Given the surfeit of isotope-producing research reactors (nearly 300 are in operation in 69 countries world-wide), there is hardly an economic justification for the further construction of additional large research reactors: One can import medical, agricultural and industrial isotopes from existing machines and send one's scientists to them to do research much more cheaply than building a large research reactor of one's own. Virtually all of these existing machines can be converted to run on nonweapons useable fuels. As for recent proposals from the Department of Energy and the IAEA to create regional reprocessing and enrichment parks, these too are a bad buy. Right now, we have more than enough enrichment capacity to supply lightly enriched fuel to the civilian reactors on line. If anything, the lack of demand would suggest the need to downsize existing enrichment capacity further. Reprocessing, meanwhile, is an uneconomical answer to a problem that doesn't exist: It makes much more sense from a security and economical perspective to store spent fuel in casks and to use fresh reactor fuel than to recycle weapons usable plutonium for civilian reactor use. What this suggests, then, is a simple tenet: Any large civilian nuclear project that is begun before allowing safer alternatives to be considered in an open international bidding process should be considered to be suspect. Certainly, Iran's power reactor and enrichment activities, as well as North Korea's entire program, Pakistan's import of Chinese reactors, Algeria's large research reactor, Brazil's proposed uranium enrichment undertaking would all flunk this test. To make this guideline credible, though, the U.S. and its allies will have to apply it to their own civilian nuclear undertakings as well. The good news is we are well on our way to doing this. Germany and the United Kingdom have either terminated state support of their nuclear industry or established clear deadlines for doing so. Recently, the U.S. Congress refused to pass an energy bill that contained billions in guaranteed loans to utilities that might buy new reactors and put aside hundreds of millions of dollars more to build a commercial-sized hydrogen producing reactor. This year, the Department of Energy quietly killed plans to build commercial-sized versions of its Generation IV reactors. We need to continue this sensible trend. Further federal funding of commercial-sized undertakings such as the Westinghouse AP1000 and the ill-starred \$6 billion-plus mixed oxide plutonium disposition program should also cease. This should not be seen as anti-nuclear but rather only anti-commercialization. Certainly, if it made sense for Congress and Ronald Reagan to oppose federal funding of such large energy projects on economic grounds 20 years ago, it makes even more sense after 911 and the clear lag in nuclear demand to do so today.

3. *Starting with the US, but including Pakistan and India, formally get as many declared nuclear weapons states as possible to agree henceforth not to redeploy nuclear weapons on to any other state's soil in peacetime and to make the transfer of nuclear weapons usable material to other nations illicit if the transfer is made for a purpose other than to dispose of the material or to make it less accessible.*

One of the most nettlesome nonproliferation challenges President Bush discussed in his February 11th NDU speech was reining in the nuclear proliferation activities of non-NPT states such as Pakistan. Islamabad's blatant proliferation activities technically broke no law. Even worse proliferation, however, is possible: There is reason to worry that a future Pakistan might transfer nuclear weapons to another country. In specific, Saudi Arabian officials are reported to be studying how Saudi Arabia might acquire nuclear weapons from another country such as Pakistan. What makes these plans plausible (besides Pakistan's and Saudi Arabia's close security ties) is that they could be carried out legally under the NPT. The treaty, in fact, allows nuclear weapons to be transferred to nonweapons state members (e.g., to nations like Saudi Arabia) so long as the weapons remain under the control of the exporting state. This loophole was explicitly inserted into the NPT in the 1960s by U.S. officials who were anxious to continue to deploy U.S. tactical nuclear weapons on NATO's and Pacific allies' soil. Today, keeping this loophole open no longer looks

anywhere near as attractive. In fact, the U.S. has already withdrawn its tactical nuclear weapons from foreign allied bases it had in the Pacific, including South Korea, Japan, and Taiwan. The reason why is simple: With air and sea-launched cruise missiles, nuclear-capable carried based air-craft, stealth bombers, accurate submarine launched and land based intercontinental ballistic missiles to quickly deliver nuclear weapons, there is no longer any need to base tactical nuclear weapons on foreign soil. The U.S. now is withdrawing much of its military from Europe. As these troops come out and concerns about nuclear terrorism and proliferation grow, the rationale for keeping U.S. tactical nuclear weapons in places like Germany will become weaker and the desire to prevent other states from redeploying their nuclear weapons on to other states' soil will increase. To address this concern, it would be useful to close the loophole in the NPT that allows this. The question is how. Some have suggested that we simply make these nations nuclear weapons state members of the NPT. The problem with this is that such a move would appear to reward states that stayed out of the treaty and violated its tenets. A sensible alternative would be for the United States to work with as many nuclear weapons states to get a formal agreement that henceforth no nation would redeploy nuclear weapons on to another nation's soil in peacetime. We could also try to get the nuclear weapons states to agree to make the redeployment of such weapons or the transfer of nuclear weapons usable materials illicit so long as the transfer was for purposes other than disposing of these materials or making them less accessible. If the U.S. agreed to impose such limits on itself, it go a long way to persuade other nuclear weapons states, including those that have not yet signed the NPT, to agree to do so as well. Finally, one could mate such diplomatic efforts with initiatives to get as many non-weapons states as possible to agree not to *receive* nuclear weapons in peacetime on to their soil.

4. *Refuse to sell or buy any controlled nuclear items or materials to or from new states attempting to develop enrichment or reprocessing plants.*

President Bush proposed that nuclear supplier states not sell fresh fuel to nations that are unwilling to renounce reprocessing or enrichment and that they should refuse to sell any enrichment or reprocessing technology and equipment to states that do not already possess "full-scale functioning enrichment and reprocessing plants." Implementing these rules certainly would help establish a norm against the further spread of commercial reprocessing and enrichment plants. What would help deter new states from developing reprocessing or enrichment, though, would be to cut off the commercial exports from such new plants by getting the NSG membership and as many other states to refuse to *buy* or sell *any* controlled nuclear commodities to or from new states attempting to develop enrichment or reprocessing plants. Who would this rule hit hardest? Iran, for one. Nuclear officials there claim that they intend to export reactor fuel from their uranium enrichment and fuel fabrication facilities. If we are firm about what constitutes "full-scale functioning plants," Brazil and Argentina could also be effected. Brazil is about to launch a commercial enrichment effort at Resende. Officials there concede, however, that their effort would not be able to supply even 60 percent of Brazil's own fuel requirements until 2010. They have not even reached an agreement with the IAEA about the safeguarding of Brazil's enrichment facility. Still, Brazilian officials have already announced that they intend to export enriched uranium by 2014. Certainly, if the U.S. and other like-minded nations grandfather Brazil's enrichment effort as being "full-scale and functioning" while demanding Iran shut its facilities down, the hypocrisy would be more than just clumsy: It would undermine the credibility of the President's enrichment and reprocessing restrictions for any other country. As for Argentina, it is considering offering reprocessing services to states that buy its large export research reactors. Neither of these countries' nuclear programs could survive without nuclear imports. More important, neither could credibly push their enrichment and reprocessing efforts without customers. If we are serious about achieving the President's goals of freezing the number of states that have reprocessing and enrichment plants, pursuing this compliment to the President's proposals would be useful.

5. *Demand that states that fail to declare nuclear facilities to the IAEA as required by their safeguards agreement dismantle them in order to come back into full compliance and disallow states that are not clearly in full compliance from legally leaving the NPT without them first surrendering the nuclear capabilities they gained while an NPT member.*

The Bush Administration by its actions and words in North Korea, Iraq, and Libya has gone a long way toward establishing the rule that whenever a violating nation fails to properly declare nuclear facilities to the IAEA, it must dismantle

them in order to come back into full compliance with its NPT obligations. What the U.S. should do now is propose this requirement explicitly. This certainly would be a helpful country-neutral rule to have in place in dealing with countries like Iran. The U.S. should also make it clear that no nation that the IAEA is unable to clearly find in full compliance with the NPT can leave the treaty legally without first surrendering all the nuclear capabilities it gained while a member of the NPT. The idea here is that one cannot enter into a contract, gain the means to violate it, proceed to do so (or announce the intent to do so), and not be held accountable. Some U.S. government legal counsels have objected to this commonsense requirement out of fear that somehow it might raise questions about the legality of the U.S. withdrawing from treaty obligations, such as the ABM Treaty. Their concerns, however, are unfounded: The U.S. is a law abiding nation that complies with its treaty obligations. If it takes actions inconsistent with a treaty it only does so *after* it withdraws or because it has formally chosen not to be a party. This certainly was the case with the ABM Treaty.

6. *Support UN adoption of a series of country-neutral rules that track the recommendations above to be applied to any nation that the IAEA and the United Nations Security Council (UNSC) can't clearly find in full compliance with the NPT.*

The idea here would be to take advantage of something that so far has frustrated U.S. and allied diplomats—the difficulty the IAEA and the UN Security Council have in making definitive determinations. Rather than wait upon either of these bodies to actually find a specific country in clear violation of the NPT to trigger particular sanctions, it would make far more sense to spell out in country-neutral terms in advance what the consequences should be for any country the IAEA and the UN Security Council *cannot* clearly find to be in full compliance. This approach has the clear advantage of being country-neutral and of forcing the IAEA and the UN Security Council to reach consensus if it wants to *prevent* action.

7. *Build on the successful precedent of Libya's nuclear renunciation by getting its neighbors, starting with Algeria, to shut down their largest nuclear facilities.*

President Bush has rightly spotlighted the success he has had in getting Libya to renounce its nuclear weapons. The challenge now is figuring out how to establish this precedent as a practical nonproliferation standard that can be applied again in at least one other case. In this regard, neither North Korea nor Iran seem particularly promising prospects since they are resisting cooperation, much less denuclearization. The prospects, on the other hand, look much better closer to Libya itself. In specific, now that Tripoli no longer has a nuclear program, it would seem reasonable for its neighbors to reciprocate by at least shutting down their own largest nuclear plants. I first raised questions about Algeria's need for a second large research reactor over a year ago. This reactor can make nearly a bomb's worth of plutonium a year, is located at a distant, isolated site, is surrounded by air defense missiles, and only makes sense if it is intended to make bombs. In fact, Algeria already has a second, smaller, less threatening research reactor in Algiers. Shutting down the larger plant at Ain Ousseara would save Algeria money and make everyone breathe easier. Then there is Egypt's large research reactor purchased from Argentina. It too can make nearly a bomb's worth of plutonium annually. Perhaps Egypt could offer to mothball this plant in exchange for Israel shutting down its large plutonium production reactor at Dimona. The later is so old it will take hundreds of millions of dollars to refurbish it just to keep it operating. Israeli critics of continuing to operate Dimona reactor have publicly called for its shutdown in the Kennest. Certainly, progress on any of these fronts would be helpful in addressing other proliferation problems in the Persian Gulf and elsewhere. The point here, as with the other proposals above, is to build on the clear nonproliferation successes we now have. If we do, we will be safe. If we don't there will be trouble.

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Taking Proliferation Seriously

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WITH AMERICA'S departure from the Anti-Ballistic Missile Treaty late in 2002, Bush officials have claimed that America has begun to lead the world away from security policies based on mutual assured destruction (MAD). The administration's decision to deploy a national missile defense system in Alaska certainly is a clear refutation of MAD-based opposition to such protection. What's less clear, however, is how America's rejection of MAD might affect U.S. nuclear weapons policies beyond missile defense — specifically, America's plans to stem the spread of nuclear weapons or to use nuclear weapons in certain circumstances.

MAD and NPT

TO AN EXTENT not generally appreciated, U.S. and international nonproliferation policies have had a fairly tight relation to MAD. During the Cold War, the most popular view concerning nuclear weapons reflected the MAD view that having a nuclear force capable of killing large numbers of civilians afforded nations basic security against attack. There also was a MAD fear that any attempt by nations to go beyond the finite force levels needed to attack undefended cities would lead to war-prone arms races.

The thinking here was that if the superpowers targeted more than their opponents' vulnerable cities, they would be forced to develop ever-quicker, more accurate nuclear delivery systems (necessary to evade or destroy opposing weapons). They also would have to place their weapons on hair-trigger alert and risk deploying them tactically to an ever-growing number of military commanders. All of this, it was argued, would only increase the chances of nuclear war.¹

These views certainly were common during the mid-1960s and were quite prevalent among those negotiating the Nuclear Nonproliferation Treaty (NPT). Thus, by the late 1960s, most of those crafting the NPT argued that the real proliferation danger emanated not so much from the spread of nuclear weapons to more nations as from as the superpowers' own never-ending arms race. This rivalry, these diplomats argued, was even more likely to result in worldwide destruction than smaller states' "independent manufacture" of nuclear weapons.² They agreed that all nations had a *right* to acquire nuclear weapons to defend themselves (not only against possible nuclear neighbors, but as a hedge against the superpowers if they refused to curb their own nuclear arming). But if "because of higher considerations of the interests of mankind" non-weapons states decided not to exercise this right, they were equally convinced that these states deserved to be compensated.³

Under the NPT, this compensation consisted of: (1) non-weapons states having an "inalienable right" to acquire all forms of nuclear energy technology (Article IV); (2) the demand that the superpowers engage in good faith negotiations on "effective measures relating to the cessation of the nuclear arms race" (Article VI); and (3) the right of non-weapons states to withdraw from the NPT and develop nuclear weapons "if extraordinary events . . . have jeopardized the[ir] supreme interests" (Article X).

For nearly 30 years, this "grand bargain" was interpreted in a manner that focused greatest attention on the need for the superpowers to end the arms race — i.e., to stop nuclear innovation through nuclear testing and to reduce the size of their arsenals to levels (a few hundred weapons) no larger than needed to absorb an attack and yet be able to target other countries' undefended cities. Thus, the NPT's preamble calls for "the cessation of the arms race" and of further nuclear weapons production and testing. The treaty's negotiating record, meanwhile, speaks approvingly of restraints on national missile defenses (later to become the ABM Treaty) and on nuclear missile delivery systems (later to become SALT and START). As such, the various NPT review conferences that have been held on almost an annual basis since the NPT came into force have focused on these issues almost exclusively.

Finally, throughout the past three decades, members of the NPT have pushed for ever-freer access to civilian nuclear energy technology. The view here has been almost identical to that voiced at the time of the NPT's signing: If a state forswears exercising its right to acquire nuclear weapons, it nonetheless retains a natural right to all forms of nuclear technology for peaceful purposes. Exercise of this residual right has been interpreted to include acquiring the ability to stockpile large quantities of nuclear weapons-usable plutonium and highly enriched uranium and even to develop nuclear weapons implosion and gun assembly devices (so long as these don't have nuclear weapons material cores).

All that was required of non-weapons states to engage in these activities, besides signing the NPT, was to afford NPT's nuclear watchdog agency or its equivalent in EURATOM occasional access to monitor declared nuclear facilities to ensure that no special nuclear material was unaccounted for. If a nation's amount of special nuclear material (including

even large amounts of nuclear weapons-usable material) was what it should be, the IAEA would issue a clean bill of health and protect whatever it knew about the amounts of these nuclear weapons-usable materials from being sought or shared.⁴ Thus, it was understood that, consistent with the treaty, members of the NPT could develop a nuclear weapons breakout capability. As the U.S. State Department's own Policy Planning staff explained in an internal study in 1968:

After the NPT, many nations can be expected to take advantage of the terms of the treaty to produce quantities of fissionable material. Plutonium separation plants will be built; fast breeder reactors developed. It is possible that experimentation with conventional explosives that might be relevant to detonating a nuclear bomb core may take place. In this way, various nations will attain a well-developed option on a bomb. A number of nations will be able to detonate a bomb within a year following withdrawal from the treaty; others may even shorten this period.⁵

Under this interpretation of the NPT, adherence to the treaty required only minimal enforcement or monitoring. The key protection against proliferation, after all, was the willingness of nations to forswear exercising their natural right to acquire nuclear weapons in a legally binding treaty. This also meant that the nonproliferation secured by the treaty was potentially quite fragile.

NPT after the Cold War

*D*espite these shortcomings, the NPT until recently was heralded as a clear success.

Following the fall of the Berlin Wall in 1989, achievement of the NPT's ultimate goals actually seemed within reach. South Africa and Ukraine renounced their possession of nuclear weapons and joined the NPT. Similarly, Brazil and Argentina gave up their nuclear weapons programs and became NPT members. In 1995, the NPT, which was up for a 25-year review, was extended indefinitely. Also, Russia and the United States began to reduce their deployment of nuclear weapons systems dramatically. By 2001, both had agreed to reduce their strategic nuclear weapons deployments to less than 4,400 weapons, whereas at the height of the Cold War both had deployed a total of well over 60,000 strategic and tactical nuclear weapons.

After the mid-1990s, though, the NPT and its MAD-inspired interpretation began to falter. First, whatever limited utility MAD thinking may have had to describe or channel the Cold War competition between the Soviet and U.S.-led alliances, it was a tolerable view only so long as the two superpowers actively kept nations under their influence from acquiring nuclear weapons of their own. During the Cold War, to a great extent, this worked. The Soviets kept Eastern Europe from going nuclear, and the U.S. and NATO curbed the nuclear ambitions of most of Western Europe and much of the Middle East and Asia.

With the end of the Cold War competition, though, nations had a greater incentive to go their own way and MAD and finite deterrence arguments only tended to make this impulse stronger. Indeed, if acquisition of a relatively few nuclear weapons targeted against an adversary's undefended cities was a sure guarantee against being attacked by a neighbor or a larger outside power, why wouldn't most nations choose to go nuclear? In 1998, India and Pakistan's nuclear tests seemed to validate this view. Both nations essentially affirmed that they felt more secure with bombs of their own than they did with any military, political, or economic support they might get from others.

Second, after the Cold War several NPT members exploited the generous nuclear compensation that a MAD-inspired view of the NPT required. North Korea, which became a member of the NPT in 1985, managed to secure all the nuclear assistance it needed to generate and separate plutonium for bombs and launch a covert uranium enrichment program. Although it only allowed the IAEA to inspect its facilities in 1992, Pyongyang was able to remain a member of the NPT even *after* it was found in violation of its safeguards agreement in 1993 and, indeed, even after it first claimed it had already withdrawn in early 2003.

Iran, meanwhile, acquired virtually the entire fuel cycle — fuel fabrication plants, uranium enrichment facilities, a large light water reactor, a heavy water production facility — *without* being found in violation of either the NPT or its IAEA safeguards agreement. The concern now is that Tehran in little more than 30 months could come within weeks of having a nuclear arsenal of 50-75 weapons and still be a member of the NPT in good standing.

Third, after the Cold War, enforcement of the NPT was tested and found wanting. In the case of Iraq, it was only after its defeat in Desert Storm that the U.N. voted to restrict its full access to nuclear energy technology. At no time prior to the war was it ever found in violation of its IAEA safeguards obligations. North Korea, meanwhile, was able to evade the NPT requirement that it permit IAEA inspections of its facilities 18 months after signature and did so for nearly an additional five years with no repercussions. Then, when the U.N. in 1993 did finally find North Korea to be in violation of its safeguards agreement, no action was taken.

Rather than sanction North Korea, the U.S., its allies, and the U.N. allowed Pyongyang to evade its NPT obligation to allow IAEA inspectors for yet another decade. The reason was a U.S.-formulated deal to give North Korea two large, modern light water reactors in exchange for its *eventual* compliance with its IAEA safeguards agreement. Even after Pyongyang made it clear that it had violated this agreement and withdrew from the NPT, no enforcement action was taken against it. The promised reactors are still being built.

North Korean officials recently suggested that they might export the nuclear weapons they had made to other states. As a state that has withdrawn from the NPT, this would be a perfectly legal thing for North Korea to do. It could even export warheads to an NPT non-weapons state member: So long as the warheads remained under North Korean

control — as the U.S. currently maintains control of its nuclear weapons in Germany — no provision of the NPT would be violated.

What's MAD that remains

GIVEN THIS WORRISOME review of the NPT's current implementation, one can only hope that the popularity of MAD-inspired views of the treaty might finally give way to a safer set of policies. This is conceivable, but only if the U.S. and its allies are willing to drop their attachment to MAD thinking and MAD-inspired nonproliferation — steps that will require much more than the U.S. merely backing out of the ABM Treaty.

First, the U.S. and its allies would have to further reduce their security reliance on forms of nuclear retaliation that still entail the killing of large numbers of people. American officials are now openly raising doubts about the deterrent value of our nuclear forces against rogue states and terrorist organizations. Yet they still claim that retention of 1,700 to 2,200 deployed nuclear weapons is needed to deter “mature” or “advanced” states (e.g., Russia and China). Use of large numbers of these weapons to target Russia's weapons capabilities, however, could kill several million civilians. How well retaining such an “option” accords with moving away from MAD is unclear.

Also, the threatened use of such weapons is presented publicly as a possible means to deal with smaller, badly behaving states (i.e., those that might threaten use of chemical or biological weapons). American officials are particularly interested in being able to surgically disarm hostile states with nuclear bunker buster warheads. Yet many command bunkers are located in or near these states' largest cities (e.g., Baghdad, Tehran, etc.) as are a fair number of the weapons of mass destruction storage and production facilities that might be targeted. Attacking these targets could easily entail the slaughter of large numbers of people.

It is not clear what can be done about this. Perhaps non-nuclear technologies, such as kinetic ballistic missile warheads, could be developed to put hardened bunkers at risk. Perhaps targets could be selected that would keep potential collateral damage to a minimum or that would obviate the need to destroy the bunkers in question. Perhaps not. What is clear, however, is that relying heavily on nuclear targeting that entails heavy casualties will undermine the credibility of U.S. efforts to move away from MAD and to get other nations to do so as well.

Second, the U.S. and its allies would have to actively contest the notion that all states have a natural right to acquire nuclear weapons. Certainly, the notion that if a nation's security is threatened, it has a right to break out of the NPT needs to be challenged. If it is not, North Korea's recent accumulation of nuclear technology under false “peaceful” pretenses and its withdrawal from the treaty is sure to be only the first of many such frauds. Any credible challenge to similar abrogations, however, would require the U.S.

and its allies to take a much firmer line against states outside the NPT's five recognized nuclear weapons powers. This would require discipline that has yet to be demonstrated.

In fact, the United States and its allies have all too frequently done the opposite, excusing Israel's, India's, and Pakistan's possession of nuclear weapons as being "understandable." Recently, the chairman of the U.S. Nuclear Regulatory Commission visited two of India's nuclear weapons production reactors and extended American nuclear "safety" cooperation to New Delhi. Earlier, the U.S. government did all it could to waive and bend mandatory sanctions laws directed against India's and Pakistan's nuclear tests in 1998.⁴ More recently, the U.S. refused to identify Pakistan as a nuclear proliferator despite repeated reports of Pakistani nuclear assistance to North Korea and Iran. As for Israel, the U.S. did far too little to stop its nuclear weapons program and has done nothing publicly to get it to stop production of plutonium at its weapons plant at Dimona.

Such proliferation "realism" is not limited to friendly nuclear weapons states outside the NPT. Nor is it confined to how the U.S. relates to friendly non-weapon state members of the NPT. The U.S. has protested North Korea's violation of the NPT and is seeking a resolution condemning it. It has protested little or not at all, however, Pyongyang's actual withdrawal from the treaty. Is the supposition here that the U.S. recognizes North Korea's right to nuclear weapons and its right to keep all the nuclear technology it illicitly gained while a member of the NPT?

Then there is the argument U.S. officials make that if North Korea does not disarm, Japan might acquire nuclear weapons as well. This is something China should fear, American officials have explained, but is it also something Washington welcomes or expects? Perhaps the United States could "live" with such a good nation acquiring nuclear weapons so long as Japan acquires them to assure mutual deterrence of North Korea. Is the U.S. ready to make the best of such proliferation? Is it prepared to let other friends — South Korea, Taiwan, Saudi Arabia, Egypt, Turkey — follow suit?

Again, if the U.S. is truly to move away from MAD, it must eschew even indirectly endorsing the notion that nuclear weapons can assure a nation protection from attack or that, as such, others' acquisition of them is simply the exercise of their right to self-defense. Certainly, if nations perceive that the U.S. is willing to look the other way or to endorse some nuclear proliferation as good, inevitable, or manageable, further proliferation will only be more likely.

Third, the U.S. and its allies would actually have to enforce the current set of nuclear nonproliferation rules and make them less generous with regard to what is safe and dangerous. As noted before, the MAD or finite deterrence-inspired notion that states have a right to nuclear weapons and that they should be compensated with free access to all types of nuclear technology for not exercising this right has more than run its course in the case of Iraq, Iran, and North Korea. The NPT, after all, makes it clear in Article IV that nations' inalienable right to develop nuclear energy for peaceful purposes must nonetheless be exercised "in conformity with Articles I and II," which prohibits states

from assisting non-weapons states “in any way” to acquire nuclear explosives or control over such weapons.

This Article I and II prohibition, it should be noted, was originally inspired not by the finite deterrence or MAD thinking of the late 1960s, but by the original Irish U.N. Resolutions of 1958 and 1959, which were the first to call for an international nuclear nonproliferation treaty. In requesting that the U.N. establish a committee to study the dangers inherent in the further spread of nuclear weapons, the Irish representative to the U.N. held no brief for nations having any “right” to acquire atomic explosives, much less for them being compensated with unrestricted access to nuclear technology for “peaceful” purposes. Nor did he argue that the key nuclear threat was the pace of superpower nuclear weapons innovation or growth.

Instead, Ireland’s original call for a nuclear nonproliferation treaty was premised on the fear that the further spread of nuclear weapons to additional states would make nuclear disarmament and reductions less likely and accidental or catalytic wars — ones instigated by smaller powers to draw the superpowers to their defense — more probable. Against this threat, the Irish representative urged adoption of the most basic restraint: States that had weapons should agree not to share or spread them, and states that lacked them should agree not to acquire them. As for the sharing of nuclear technology for civilian purposes, the Irish recognized that the further spread of such civilian capabilities would actually make the spread of nuclear weapons more likely and that, therefore, the proliferation of such technology had to be controlled. Finally, the Irish downplayed the idea that the superpowers had to disarm themselves before any progress could be made to reduce the spread of nuclear weapons to other states.⁷

Clearly, this original Irish Resolution view of the NPT is the one to which we need to return if we are to keep the NPT as an agreement that will reduce rather than fan further nuclear proliferation. In the first instance this will require that the U.S. and other nuclear technology-exporting states recognize that too much of what they are willing to share is too close to bombmaking to be safeguarded against quick diversion to military ends. Certainly, light water reactors in Iran will bring it dangerously close to having a large arsenal of near-weapons-grade plutonium after only 15 months of operation. The same is true of North Korea if either of the two light water reactors the U.S., Japan, and South Korea are helping to build are completed. It is even clearer that Russia’s, Pakistan’s, and China’s sharing of fuel fabrication, plutonium separation, and uranium enrichment technology and hardware with Iran and North Korea is simply too close to bombmaking ever to allow for any monitoring to be able to afford timely warning of a possible military diversion.

Unfortunately, America is still pushing international cooperation on advanced fuel cycles and reactors that includes cooperation on “proliferation resistant” breeder reactors and reprocessing (because of the addition of several steps that could just as easily be subtracted as not). This cooperation is being proposed for Brazil, South Africa, South Korea, and Argentina — states that only recently gave up nuclear weapons programs of their own.

Finally, there seems to be growing U.S. and allied indifference to further civilian use of weapons-usable plutonium. Here the U.S. is proposing to reconsider President Ford's policy of deferring the commercial use of such nuclear fuels. As an unannounced lead in this effort, Washington is plowing ahead with its efforts to convert 34 tons of weapons-grade plutonium into mixed oxide (MOX) civilian fuels over the next 20 years and to help pay Russia to do the same. The U.S. Department of Energy claims that this effort has nothing to do with reversing the Ford policies — but, in fact, this project will result in over \$6 billion in MOX fuel fabrication facilities being built both here and in Russia and the movement of over 17,000 nuclear weapons' worth of plutonium into civilian commerce.⁸

Such risky civilian efforts, which are consistent with a MAD-inspired reading of the NPT and the need for the freest exchange of nuclear technology for civilian purposes, are themselves bad enough. What's worse is their encouragement of lax enforcement of existing nonproliferation rules. Japan recently announced that it had lost between 59 and 206 kilograms (10 to 51 crude bombs' worth) of nuclear weapons-usable material over the past 15 years of its civilian breeder and MOX operations. Yet the U.S. made no complaint, and the IAEA conducted no serious investigation. In fact, the IAEA still only makes public its discovery of special nuclear materials it believes are unaccounted for. It keeps no public account of the nearly 200 tons (25,000 to 50,000 crude weapons' worth) of weapons-usable civilian plutonium that specific member states have on hand.⁹

Such a cavalier attitude regarding the sharing, accounting, generation, and safekeeping of civilian nuclear weapons-usable materials and related technologies might have made sense in the MAD world of the NPT in 1968, but after the events of September 11 and al Qaeda's announced interest in nuclear explosives, it is woefully unwise.

Towards a saner set of policies

MAKING THE CHANGES noted above will not be easy. However, it would be a mistake not to try. Currently, there are only five declared nuclear states, all of whose arsenals (except China's) are becoming smaller. India, Pakistan, and Israel also have nuclear weapons, as does North Korea. The question is how much worse it can get. The answer is plenty.

If nothing is done to shore up U.S. and allied security relations with the Gulf Coordination Council states and with Iraq, Turkey, and Egypt, Iran's acquisition of even a nuclear weapons breakout capability could prompt one or more of these states to try to acquire a nuclear weapons option of their own. Similarly, if the U.S. fails to hold Pyongyang accountable for its violation of the NPT or lets Pyongyang hold on to one or more nuclear weapons while appearing to reward its violation with a new deal — one that heeds North Korea's demand for a nonaggression pact and continued construction of the two light water reactors — South Korea and Japan (and later, perhaps, Taiwan) will have

powerful cause to question Washington's security commitment to them and their own pledges to stay non-nuclear.

In such a world, Washington's worries would not be limited to gauging the military capabilities of a growing number of hostile, nuclear, or near-nuclear-armed nations. In addition, it would have to gauge the reliability of a growing number of nuclear or near-nuclear friends. Washington might still be able to assemble coalitions, but with more nations like France, with nuclear options of their own, it would be much, much more iffy. The amount of international intrigue such a world would generate would also easily exceed what our diplomats and leaders could manage or track. Rather than worry about using force for fear of producing another Vietnam, Washington and its very closest allies are more likely to grow weary of working closely with others and view military options through the rosy lens of their relatively quick victories in Desert Storm, Kosovo, Operation Iraqi Freedom, and Just Cause. This would be a world disturbingly similar to that of 1914 but with one big difference: It would be spring-loaded to go nuclear.

To move away from such a future, then, is worth some effort. But what step should be taken first? Clearly, it would be helpful if the U.S. and its allies backed country-neutral rules that would close some of the worst loopholes in the NPT. These gaps principally consist of the NPT's non-application to weapons states outside the treaty, the NPT's lack of any serious enforcement measures, its generous inattention to risky "peaceful" nuclear cooperation, and its allowance of nuclear weapons transfers between states so long as the weapon transferred remains under the control of the exporting nation (e.g., U.S. nuclear weapons deployed in Germany).

To begin to fill these loopholes and to get back to an Irish Resolution view of the NPT generally, one might start by trying to establish an "international common usage" against any state helping others to acquire weapons of mass destruction (nuclear, chemical, or biological weapons) such as that which already exists against piracy and the trading in slaves. Piracy and slaving are currently activities that can be conducted only outside of the protection of international law. Any nation that encounters someone engaged in these activities is free to act against them, to arrest them, seize their cargo, or force their vessels or vehicles to return to their point of origin.

One approach to help establish such a rule against weapons of mass destruction might be to establish that nations henceforth must not deploy chemical, biological, or nuclear weapons to any other nation in peacetime, whether such weapons remain under control of the first nation or not. Beyond this, the U.S. and like-minded nations should propose that nations no longer ship any special nuclear materials (as defined by the IAEA statute) or any item on Schedule One of the Australia Group's list of biological and chemical weapons items or items on the Nuclear Suppliers' list without giving prior international notification. In fact, shippers' export declarations laws in the U.S. and Australia already require exporters in these states to make prior notification of their export shipments. Other nations should do likewise. These postings could be made on an internationally available website almost immediately.

In addition, the U.S. and other like-minded nations should declare that henceforth no nation should be allowed in peacetime to redeploy nuclear, chemical, or biological weapons outside its borders. This rule is one the United States, with its various submarine-launched ballistic and cruise missile systems, long-range bombers, air-launched cruise missiles, and sea-based strike aircraft, can easily live with. Any nation violating this rule, whether friendly (e.g., Pakistan) or not (e.g., North Korea), should, again, be subject to interdiction.

Finally, if there is support for stronger action, exports made outside the procedures of IAEA, Australia Group, Nuclear Suppliers Group, and (perhaps) the Missile Technology Control Regime might be banned and targeted for interdiction. This rule would clearly put a bind on nonmembers of these organizations. It would apply not just to Iran, which has announced its desire to export its nuclear expertise, but to China, North Korea, and Pakistan, who trade in nuclear and missile technology. It also could include Israel, which has exported technology to China, and India, a state that announced a military cooperative agreement with Iran and its intent to export military technology internationally.

If the U.N. Security Council acted quickly to adopt such a measure, all the better. If it failed to act, however, those who discover a violation of the proposed rules might choose to act on their own. In either case, an international common usage against weapons of mass destruction trade would be beneficial in a number of currently worrisome cases. Pakistan, for one, could no longer contemplate transferring nuclear warheads legally under its control to Saudi Arabia (as its generals have privately suggested they might). Nor could Pyongyang act on its threat to transfer its nuclear weapons to another state without risking having the shipment legally blocked or seized. Beyond this, any strategic weapons-related assistance a Pakistan (or a North Korea, China, Iran, or Russia) might want to give to other states would now have to be announced before it was actually shipped or else hazard being interdicted. This, at the very least, in turn, would help prevent a repeat of another Iran — i.e., of another nation covertly acquiring all it needs to break out quickly with a large arsenal of weapons without quite breaking the rules.

This international common usage also would allow the world's Indias, Israels, and Pakistans, who cannot be made weapons state members of the NPT, a formal way to uphold international nonproliferation norms. In addition, it would allow other nations that have bad proliferation reputations (e.g., China and Russia) to work with the U.S. and others to restore their good names. Finally, by establishing an international rule against warhead transfers and dangerous covert trade, it would afford supporters of nonproliferation a legal basis for acting against violators even if they failed to catch them in the act.

If the U.S. wanted to build additional support for this effort, it might offer to remove its prior deployment of nuclear arms in Western Europe. These weapons are almost certain to be removed with the planned reduction of American forces in Germany. Also, most of these weapons are quite old if not obsolete. Such an offer (to do what the U.S. will likely do in time anyway) would still have to be implemented carefully so as not to undermine

NATO alliance relations. It could not be done suddenly or appear to be a response to anti-nuclear protests. Assuming this could be done, though, such an offer might help persuade Russia and others to support establishing an international usage against WMD proliferation both before and at the time of any U.N. vote.

In conjunction with the proposed ban on unannounced dangerous trade, a ban on redeploying weapons of mass destruction could set into motion a much more serious review of MAD-inspired nonproliferation policies more generally. What should the IAEA and the world's leading nuclear suppliers consider to be safe and dangerous? Should nations like Iran be able to get all they need to break out with a large arsenal virtually overnight? What truly constitutes timely warning of a diversion of civilian technology to military purposes? Is something more than inspection required to find special materials unaccounted for? Does it make sense to spread nuclear bulk handling facilities — reprocessing, enrichment, fuel fabrication plants — where scores of bombs' worth of nuclear weapons material will be present? What of increased civilian commerce in nuclear weapons materials? Is this trade worth the risks, or should it be put on hold? What of missile technologies? Should controls be tightened to prevent proliferation or relaxed to promote missile defense cooperation? In either case, how should this be done?

A debate over all these questions and more is likely assuming the U.S. and others choose to get serious about moving away from MAD toward a world with fewer nuclear weapons in fewer hands. On the other hand, without such a move, the bold steps Washington has already taken away from MAD's opposition to missile defenses will hardly get us where the U.S. and the world should want to go — toward a safer, saner world whose security is based less on nuclear offenses than on defenses, self-restraint, and, in time, the kind of peace that can only come with a world full of Canadas.

Notes

¹ See, e.g., National Planning Association, 1970 *Without Arms Control* (May 1958); Howard Simons, "World-Wide Capabilities for Production and Control of Nuclear Weapons," *Daedalus* (Summer 1959); and William C. Davidson, Marvin I. Kalkstein, and Christophe Hohenemeser, *The Nth Country Problem and Arms Control* (National Planning Association, January 1960).

² See, e.g., "Statement by the Indian Representative [Trivedi] to the First Committee of the General Assembly: Nonproliferation of Nuclear Weapons, October 31, 1966," in U.S. Arms Control and Disarmament Agency, *Documents on Disarmament, 1966* (U.S. Government Printing Office, 1967), 679.

³ See, e.g., "Statement by the Brazilian Representative [Azeredo da Silveira] to the Eighteen Nation Disarmament Committee: Draft Nonproliferation Treaty, August 31, 1967," in U.S. Arms Control and Disarmament Agency, *Documents on Disarmament, 1967* (U.S. Government Printing Office, 1968), 370.

⁴ See, e.g., “Statement by the Dutch Representative [Eschauzier] to the First Committee of the General Assembly: Nonproliferation of Nuclear Weapons [Extract], May 6, 1968,” in U.S. Arms Control and Disarmament Agency, *Documents on Disarmament, 1968* (U.S. Government Printing Office, 1969), 295-96; and “Statement by acda Director Forster to the First Committee of the General Assembly: Nonproliferation of Nuclear Weapons, November 9, 1966,” in U.S. Arms Control and Disarmament Agency, *Documents on Disarmament, 1966* (U.S. Government Printing Office, 1967), 271.

⁵ See U.S. Department of State Policy Planning Council, “After NPT, What?” NSF, Box 26, LBJL (May 25, 1968), as cited in Avner Cohen, *Israel and the Bomb* (Columbia University Press, 1998), 299.

⁶ See Mark Hibbs, “U.S. Confirms It Has Intelligence Pointing to DAE Planning Arms Tests,” *NuclearFuel* (April 14, 2003).

⁷ For documentation of these points, see Henry Sokolski, *Best of Intentions: America’s Campaign Against Strategic Weapons Proliferation* (Praeger Publishers, 2001), 39-56.

⁸ For a full discussion of this effort, see Daniel Horner, “Full G8 Funding for Construction of Russian MOX Plant Seen by Year’s End,” *NuclearFuel* (April 28, 2003).

⁹ Each year the IAEA and every second year EURATOM announce the total amounts of plutonium and highly enriched uranium they believe they are safeguarding. Both, however, are barred by rules of confidentiality from specifying what amounts they believe each country they are safeguarding is holding. On this point, see David Albright, Frans Berkhout, and William Walker, *Plutonium and Highly Enriched Uranium 1996 World Inventories, Capabilities and Policies* (Oxford University Press, 1997), 407; and Albert Wohlstetter et al., *Swords From Plowshares: The Military Potential of Civilian Nuclear Energy* (University of Chicago Press, 1977), 65-67.

THE QADDAFI PRECEDENT: NOW THAT LIBYA'S DISARMING, WHO'S NEXT?

by Henry Sokolski

WITHOUT ACTUALLY meaning to do so, the Bush administration has pulled off one of the most remarkable nonproliferation victories since the advent of the nuclear age: Libya, a hostile, isolated dictatorship, pledged to give up its support of terrorism and its efforts to acquire nuclear weapons. This nonproliferation "walk-in"—a direct result of Bush's invasion of Iraq and U.S.-allied efforts to interdict illicit strategic weapons-related goods—breaks the mold of nonproliferation history and suggests not only what's possible, but what should be done next.

Muammar Qaddafi's nuclear renunciation is unprecedented. The handful of nations that previously relinquished their nuclear weapons capabilities—South Africa, Brazil, Ukraine, and Argentina—did so less out of fear than from confidence, which each of these nations experienced when they moved toward more democratic self-rule. Until Qaddafi's submission, there seemed little reason to believe that authoritarian proliferators would relent without liberalization (or overthrow). The hardest cases—Iran and North Korea—suggest this is still true.

Libya's example, though, provides hope for the cases in between. Neither Libyan backsliding nor a repeat of America's 1986 bombing run on Qaddafi's home now seems probable. If we are willing to enforce the nonproliferation rules we have—as we did with Iraq and are now doing against illicit nuclear trade—blocking the further spread of nuclear weapons may be possible, in brief, without bombing every proliferating prospect.

The question now is how to exploit Libya's nuclear exit to accomplish this.

Many nonproliferation experts—including those that rushed off earlier this month to visit North Korea's known nuclear sites and those who still object to America's invasion of Iraq—insist that Libya's announcement means we should now cut nuclear deals with Pyongyang and Tehran. Shooting at these goals now, though, is a surefire loser.

To begin with, Pyongyang and Tehran are hardly contrite about violating the Nuclear Nonproliferation Treaty (NPT). When uranium enrichment equipment bound for Libya was interdicted this fall, Qaddafi showed penitence; he immediately signed a sweeping missile, nuclear, chemical, and biological weapons renunciation pledge (penned with British and American officials); and invited international nuclear inspectors in.

After U.S. officials confronted Pyongyang with evidence of nuclear cheating, it countered defiantly, threatening everything from nuclear testing to plutonium exports. Now North Korea refuses even to freeze its known nuclear facilities (much less its undisclosed uranium production plants) unless it is paid handsomely in advance with energy aid and security guarantees. Dismantlement is something Pyongyang claims it will consider doing only after two U.S.-promised plutonium-producing power reactors are completed (i.e., pretty much never).

Iran is no less shameless. Over the last four weeks, its leadership announced that President Bush deserved the same fate as Saddam, insisted Iran would resume enriching uranium (and admitted to expanding its enrichment capacity despite its pledge last October to freeze such work), demanded Bush apologize for accusing Iran of having a nuclear weapons program, blew off an American aid delegation headed by Senator Elizabeth Dole, and met with Russian officials to accelerate completion of a prodigious plutonium-producing power reactor at Busheir. Tehran is expanding its reactor and uranium enrichment efforts (both critical to making bombs) even though the International Atomic Energy Agency (IAEA) is still not yet able to find Iran in full compliance with the NPT.

Cutting a quick deal with Iran or North Korea, then, hardly guarantees another Libya. More likely, it will jeopardize the gains we have made. As a North Korean foreign ministry spokesman noted last week, the idea that Pyongyang might follow Libya's example by unconditionally renouncing its nuclear weapons capabilities is a delusion. "Expecting a change in our position," he explained, "is like expecting rain from a clear sky." Tehran's leaders, who insist on Iran's right to all forms of "peaceful" nuclear energy, are no less obdurate. If we make even partial concessions to their current demands, Qaddafi's worthy nonproliferation standard will be the first to suffer.

Focusing on Iran and North Korea as the next Libya is therefore, at best, a distraction. Meanwhile, adjacent to Libya, a clear nonproliferation opportunity has gone begging for attention. At Ain Oussera, in the middle of the Sahara, Algeria continues to expand a large nuclear "research" facility. This nuclear park, whose centerpiece is a large Chinese reactor covertly built during the 1980s, is capable of making approximately a bomb's worth of plutonium a year. Unlike Algeria's smaller

research reactor operating in Algiers, the Ain Oussera facility is encircled with SA-5 air-defense missiles.

If this second reactor were clearly needed to make medical isotopes (as Algeria claims it is), it would still be plenty worrisome. Spanish intelligence as well as disarmament experts, though, fear it is simply a bomb factory. Worse, Algeria has only grudgingly revealed the bare minimum about it to IAEA inspectors and did so only after U.S. intelligence discovered the project by accident months before it was to go critical. With Qaddafi's nuclear renunciation, U.S., Libyan, French, and Spanish officials should approach Algeria to close down Ain Oussera.

Then there's Egypt, which has chemical weapons and long-range missile programs (an overt, active SCUD program and a dormant Vector solid-rocket effort dating back to the 1980s). Egyptian officials claim they are planning to acquire a nuclear-desalinization plant, which, again, would make nuclear weapons-usable plutonium. Would Egypt be willing to renounce the plant if Israel shut down its own plutonium-production reactor, now well over 30 years old and in need of a billion-dollar-plus refurbishment? Finally, there is Syria, a state that has rockets and chemical weapons and recently tried to acquire a nuclear desalinization plant from Russia. Wouldn't our diplomatic hand be strengthened against Iran if we could get other Middle Eastern nations to swear off nuclear-power reactors, uranium centrifuges, desalinization plants, and large, unnecessary nuclear research facilities?

If the United States and its allies were to take this approach, it could succeed, but only if they insist that the NPT be read in a more sensible way—i.e., in a fashion that deprives members of the right to acquire all they need to break out and build a large arsenal of nuclear weapons within a matter of weeks. A good start here would be to demand that all countries, *including* the United States, terminate any large nuclear effort that isn't profitable enough to be fully financed by private capital. This rule would put a crimp on Iran's nuclear plans and those of many other would-be bombmakers. It's one principle Washington and its friends should insist upon at the upcoming NPT review conference in 2005.

Finally, to give meaning to the NPT, the United States and its allies will have to act against violators well before they have photographic proof they have a bomb. The IAEA didn't suspect Libya was covertly working to enrich uranium. Even U.S. intelligence was incomplete until this fall's interdiction. And so it has been historically with every other nuclear proliferator, from the Soviet Union to Iran: By the time it's clear we have a problem, the best options for dealing with it have evaporated.

What this suggests—contrary to the post-Iraq war rants for more intelligence and greater caution—is that we be prepared to act more quickly on *less* information. Of course, it would be helpful if we did not wait until the only option for action was regime overthrow. This, among other things, recommends Bush's international Proliferation Security Initiative to interdict illicit nuclear weapons-related trade: It gives meaning to the rules and offers nonproliferation officials an action plan other than wringing their hands or devising new ways to cave in to proliferators.

We've certainly tried the latter over the last half-century and produced abysmal results. After Libya, we have clear cause to stop.

Henry Sokolski directs the Nonproliferation Policy Education Center and is editor with Patrick Clawson of "Checking Iran's Nuclear Ambitions" (U.S. Army War College, 2004).

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PROLIFERATION PASS: STOPPING CHINA AND PAKISTAN IN THEIR NUCLEAR TRACKS

By Henry Sokolski

You'd think that after the illicit Pakistani nuclear sales to North Korea, Iran, and Libya, the U.S. and its allies would want to boost the rules on nuclear exports, especially for nuclear goods bound for Islamabad. But if you knew what Chinese, French, Japanese, and U.S. reactor vendors and energy officials were up to, you'd realize you were wrong.

Westinghouse in the U.S., Japan's Mitsubishi, and the French firm Areva are so eager to sell China nuclear-power plants that they and their governments are turning a blind eye to an even more troubling nuclear export—a Chinese deal to sell Islamabad a large reactor. This sale, revealed in the press last week, defies the Nuclear Suppliers Group (NSG) guidelines—rules China says it wants to adhere to and that President Bush is anxious to bolster.

Saying nothing to protest this sale to Islamabad would confirm that the worst proliferators, such as Pakistan, can not only go Scot-free for their proliferating past,

but also receive more nuclear technology without having to follow the rules. It's one deal that should be killed and could be if U.S. and allied officials made their own reactor sales to China contingent on Beijing renouncing its nuclear-reactor pledge to Pakistan.

Backers of the civilian nuclear industry, of course, see things differently. Pakistan and China, they note, are already nuclear-weapons states and China now says it will place its proposed reactor to Pakistan under International Atomic Energy Agency (IAEA) safeguards. Besides, the U.S. government has spent nearly a quarter of a billion dollars helping Westinghouse on its AP 1000 reactor design to make sure Beijing gets the reactors it needs. What nonproliferation concerns, they ask, could warrant blocking the sale?

There are three.

First, the U.S. and its allies can hardly sell China reactors and say nothing about Beijing's Pakistani reactor deal without making a hash of the NSG's guidelines and President Bush's own most recent nonproliferation proposals. On February 11, 2004, President Bush announced a series of initiatives that would put real teeth and backbone into the NSG. Under this organization's rules, no member is supposed to supply nuclear goods to any state unless the recipient is willing to open all of its nuclear facilities to full-scope IAEA inspections. President Bush not only backs this rule, but wants to toughen it by requiring NSG members to cut off nuclear sales to states that have refused to adopt the IAEA's latest, most stringent additional inspections protocol.

Pakistan, of course, has refused to allow the IAEA to inspect all but a handful of its nuclear facilities. China, meanwhile, proudly announced in January that it intends to become a member of the NSG (a step that U.S. officials undoubtedly encouraged China to take in anticipation of U.S. nuclear sales to it). China's pledge to sell Pakistan a large reactor, then, could hardly be more obnoxious: It makes a mockery of the NSG, China's candidacy to become a member, President Bush's nonproliferation initiative, and nuclear restraint in general.

Second, letting these reactor sales proceed can only persuade Pakistani officials they are off the hook for behavior that has distinguished them as the worst nuclear proliferator since the advent of nuclear energy. Pakistan, in fact, has been cutting nuclear weapons deals with Libya, Iran, Saudi Arabia, and North Korea for a decade or more. A recent Central Intelligence Agency report leaked to the press pegs Pakistan's first nuclear dealings with North Korea to information exchanges that began in 1991.

U.S. officials clearly would like to learn more from Pakistan's proliferation mastermind Dr. Abdul Qadeer Khan. Unfortunately, Pakistani President Pervez Musharraf, who recently pardoned Khan for selling Pakistan's nuclear crown jewels, has kept U.S. officials from interviewing him. So far, the White House has put up with this. If, on top of this, the U.S. and its allies do nothing to block China's reactor sale to Pakistan, Islamabad will have reason to conclude that they are forgiven and need not cooperate any further.

Third, doing nothing to block China from selling Pakistan a new reactor will make it much more difficult to restrain nuclear sales to other nations. Pakistan, after all, needs another reactor like Iran needs its nuclear power plant at Bushehr and its uranium enrichment plants. Well-informed Pakistani critics have pointed out that the \$700 million reactor and its proposed location at Chashma raises major safety and economic concerns. Unfortunately, Islamabad has so far ignored the critics.

If Washington says nothing, it will only suggest Islamabad is right. This will set a horrendous precedent. Is there any country less qualified financially or in need of buying such a reactor, more able to convert the reactor's fresh or spent fuel quickly into bomb material, or freer of legal constraints to proliferate? (Pakistan, unlike most nations, has never signed the Nuclear Nonproliferation Treaty.) If we let this sale go without protest, how will we and our allies be able to say no to anyone else?

Secretary of State Colin Powell is scheduled to visit Islamabad before the end of this week. The urgent topic of Pakistan's nuclear-proliferation exports is sure to be on his agenda. To this he needs to add stopping Pakistan's planned reactor import from China. Certainly, Washington won't impress the Pakistanis about blocking the bomb's further spread if it lets this one go.

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Mr. ROHRBACHER [presiding]. No objection. So ordered. Thank you very much for your testimony.

And now Mr. Cirincione.

Mr. CIRINCIONE. Thank you very much, Mr. Rohrabacher.
Mr. ROHRABACHER. Did I get that right?
Mr. CIRINCIONE. You did indeed, sir. Perfect.
Mr. ROHRABACHER. Thank you.

**STATEMENT OF JOSEPH CIRINCIONE, DIRECTOR FOR NON-
PROLIFERATION, CARNEGIE ENDOWMENT FOR INTER-
NATIONAL PEACE**

Mr. CIRINCIONE. I want to thank the Members of the Committee for asking me to testify. I am honored to be before the Committee and with this quite distinguished panel. I will keep my remarks very brief, and perhaps we might just go into more of these issues in discussion.

I have tried to present in the short, 10-page written statement some balanced assessment of the current Administration's proliferation policies, areas where I agree with the President's initiatives, areas where I think the Congress can go beyond the President and do more to solve these pressing problems, particularly in this complicated area of fuel cycle. I find myself in quite a bit of agreement with what Mr. Gilinsky and Mr. Sokolski have to say on this issue as well.

Let me step back from that written statement and just reflect a bit on what the Committee has heard so far today. I find myself in sharp disagreement with the statement I heard from Mr. Bolton and, quite frankly, with the statement that Mr. Hyde read to open up this hearing. I think both significantly misrepresent the historical record, and the consequences of that might be quite significant for the congressional consideration of what our policies should be.

For example, Mr. Bolton opens up his remarks with a justification of the war in Iraq by stating we found evidence of dangerous weapons of mass destruction programs. I do not believe that is true. Mr. Bolton goes much farther than the President does. The President, in his State of the Union address, only talked about weapons of mass destruction related program activities, which is a more accurate description of what we found.

That is, it is now pretty clear that in Iraq the weapons of mass destruction programs, the chemical, biological, nuclear programs, had ended years before the war began and that what we are finding now are the remnants of those programs. There was some activity still going on, but nothing that posed an immediate threat to the United States and nothing that required us to go to war.

It is pretty clear now that the war in Iraq was unnecessary, that the inspection process, that the U.N. sanction process was in fact working far better than most people realized at the time of the war.

Mr. Bolton also says that the success in Libya was the result of the war in Iraq, that Libya was somehow frightened by the possibility that the United States might invade Iraq. He justifies that by starting a chronology of the Libyan negotiations that begins in March 2003, but in fact the negotiations over Libya's weapons of mass destruction programs began years earlier.

We have articles and statements by many officials involved in those negotiations that Libya put their weapons of mass destruction programs on the table years ago, that in the process of negoti-

ating a lifting of the sanctions over their horrendous Lockerbie terrorist attack they realized that the only way they could get out from U.S. sanctions was to end their weapons of mass destruction programs, and they wanted to do so.

I am told by people involved in those negotiations that even when the Libyans made the approach that they did in March 2003 and offered a complete reversal of their programs that there were members of this Administration who did not want to take the deal; that is, they were still fixated on a policy of overthrowing the Libya regime rather than accepting a change in that regime's behavior. There was a significant internal Administration struggle over whether to take the Libya deal or not.

Fortunately, the most moderate elements of this Administration won that struggle. We have a Libya deal, which is in fact a tremendous success for nonproliferation. The significance of this is that the Libya deal is the opposite of the Administration's declared policy on how to deal with nonproliferation.

Iraq was supposed to be the shining example of the proliferation policy, a policy that relied on preventive war, sometimes called preemptive war, a policy that relied on the systematic overthrow of regimes that were seen to be threats to the United States.

That policy turns out to have extremely high costs associated with it. Whether it is a result of the demonstration of the use of force in Iraq or a result of the Libyan desire to reintegrate into western markets and get western investment, the results are clear in what has happened in Libya.

We have the opposite of this preemptive war policy, the opposite of a regime change policy. We have a policy of changing the behavior of regimes, a remarkable transformation. We have to learn the lessons of Libya, learn how to accept the right balance between force and diplomacy—clearly both have played a role here—and apply that lesson to North Korea.

In my view, the problem that we are having with North Korea now goes back to this same disagreement within the Administration about which policy to pursue; that we are deadlocked on North Korea between factions within the Administration who want to overthrow the regime and factions who want to make a deal with the regime. As a result, we are unable to move forward. We are stuck in North Korea. I will leave the North Korean example there.

I believe the President recognizes that he has run into some of these problems with his previous policy, and his speech of February 11 is a quite significant—

Mr. ROHRABACHER. Can you summarize?

Mr. CIRINCIONE. I will. Yes, sir. His February 11 speech and the now U.N. draft resolution are positive steps forward that seek to shift the focus over to these nonproliferation, more diplomatic activities.

The concern I have with these programs is not that we will go it alone, but that we might not go it at all. I do not see the follow up to the President's speech of February 11, that we would expect no other Cabinet member has taken up public discussion of these issues.

My great fear is that this was a one time speech and is not the beginning of a significant effort to push the proposals that the President proposed.

Thank you, sir.

[The prepared statement of Mr. Cirincione follows:]

PREPARED STATEMENT OF JOSEPH CIRINCIONE, DIRECTOR FOR NONPROLIFERATION,
CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

The proliferation of unconventional weapons is the most serious national security threat the United States faces today. While chemical weapons can kill hundreds of people and biological weapons can potentially kill thousands, nuclear weapons are incomparably dangerous in scale of destruction and strategic impact. For the purpose of this testimony, I will focus on the problem of nuclear proliferation.

The Treaty on the Non-Proliferation of Nuclear Weapons (NPT) has served as the backbone of nuclear non-proliferation efforts for almost thirty-five years. Overall, the regime has been remarkably successful but recent developments have illustrated three serious gaps in the treaty:

- states can legally pursue civilian nuclear programs that can later be used to produce nuclear weapons;
- a newly-discovered nuclear black market flaunts the treaty's export provisions; and,
- a treaty designed to block state acquisition now must grapple with non-state terrorists intent on getting nuclear weapons.

President Bush's speech of 11 February was a positive step towards covering these gaps. The measures he announced would, overall, help forge a stronger, more effective and more international non-proliferation policy. Many of the initiatives, if implemented, will increase the ability of the United States and other nations to stop the spread of nuclear weapons. On 25 March, the administration also introduced at the United Nations Security Council a Draft Resolution on Non-Proliferation that, if adopted, would also strengthen international anti-proliferation laws and cooperation. The draft resolution would go a long way towards integrating some of the administration's policy innovations, such as the Proliferation Security Initiative, with established international legal norms and institutions. This, in turn, would greatly facilitate the participation of many other nations in these efforts.

Serious questions remain, however, as to the willingness of the President to back up these proposals with financial and political capital. For example, although the President called for expanding the Nunn-Lugar programs which have proven so effective in securing and eliminating nuclear, chemical and biological weapons in the former Soviet Union, the administration's budget for the coming fiscal year actually cuts funding for Nunn-Lugar programs by ten percent. Similarly, the President called for enhancing the International Atomic Energy Agency's capabilities to detect cheating and respond to treaty violations, but he did not provide any increase in the U.S. contribution to the IAEA.

Overall, non-proliferation efforts remain the stunted pillar in the administrations three-part National Strategy to Combat Weapons of Mass Destruction. Overall, non-proliferation programs receive less than \$2 billion from the national budget. The other two pillars, consequence management and counter-proliferation, received tens of times greater funding. Homeland Security programs were budgeted for \$41 billion in FY 2004, while counter-proliferation, including national missile defense and the war in Iraq, cost approximately \$81 billion.

The Congress can support the President by providing the budgetary resources to implement his proposals, by building political support behind the initiatives (most importantly, behind the new UN Draft Resolution on Non-Proliferation, which has received scant attention so far) and by supplementing the President's plans with new ideas and funding.

My colleagues and I at the Carnegie Endowment for International Peace are working on proposals for a new, effective, nuclear non-proliferation strategy. Here are several suggestions from our research that might help the Committee build on the President's proposals and fashion new congressional initiatives consistent with the President's intentions.

I. STOPPING "PEACEFUL" BOMB PROGRAMS

Article IV of the Non-Proliferation Treaty permits non-nuclear-weapon states to acquire technology for peaceful purposes that can create both the low-enriched fuels

needed for civilian nuclear reactors and the ingredients for nuclear weapons, namely highly-enriched uranium and plutonium. As a condition, the NPT requires that any produced or processed uranium or plutonium for civilian use, regardless of quality, be accounted for and placed under “safeguards,” that is, subject to inspection by the IAEA. This system is supposed to serve as an alarm system but cannot and was never intended to physically prevent misuse of material.

By allowing non-nuclear-weapon states to import these nuclear technologies, the NPT (and its predecessor, the “Atoms for Peace Program”), has made it possible for states to use peaceful nuclear programs as a cover for weapons programs. North Korea’s and Iran’s misuse of these provisions, in particular, threatens to undercut the viability of the nuclear non-proliferation regime and the entire system of international nuclear commerce.

Although the seeds of the conflict are built into the NPT itself, changes to that agreement are not the answer. Amending the NPT would be impractical and inadvisable, but other mechanisms can and should be developed and adopted to fill voids in the NPT. At least two areas of promising efforts exist: intrusive inspections, and internationalizing the supply of nuclear fuel.

1. Universalizing the Additional Protocol

The Additional Protocol to the Safeguards Agreements requires signatories to declare all nuclear-related facilities (included any intention to construct such facilities) and allow any time, anywhere inspections. The protocol has already proven its value in its first real test: inspections in Iran. IAEA inspectors have learned far more about Iran’s nuclear program than anyone outside Iran knew before the inspections and have uncovered facilities and capabilities that Iranian officials had not declared and clearly wished to keep hidden. In addition, the continued presence of inspectors on the ground has likely impeded attempts by Iran to move significantly forward with its nuclear program. The case of Iran demonstrates that inspectors can detect and monitor nuclear activities in any country that has signed the Additional Protocol and is complying with its obligations.

This is why both President Bush and IAEA Director-General ElBaradei have suggested the Additional Protocol be mandatory for all states. Only 39 of the 191 United Nations members have signed and ratified this protocol (the United States has not yet ratified). All should be required to do so, establishing these intrusive inspections as the new norm.

2. Controlling the Fuel Cycle and Fuel Supply

Inspections alone, however, do not address the fundamental problem: the acquisition of nuclear facilities allow countries to produce reactor fuel one year and nuclear bombs the next. One solution could be to place enrichment or reprocessing facilities under multilateral or international control. For example, the enrichment company Urenco has capabilities owned jointly by Germany, the Netherlands, and the United Kingdom. Although the company’s enrichment facilities are able to produce weapons-grade uranium, actually doing so would require the acquiescence of three countries or the seizure of existing plants by national authorities in one of the three countries. Such highly observable events would not only draw attention but provoke such sharp national and international reactions that they significantly raise the cost to taking such action. This multilateral control does not constitute a guarantee; nonetheless, the deterrent effect of such institutional barriers may be useful if applied to facilities in other continents. Japan’s facilities present a potentially attractive candidate for such measures.

Another approach is market-based. Increased attention is now being given to the idea of creating viable commercial alternatives to national fuel-cycle facilities for states willing to abandon domestic enrichment and reprocessing programs. One such option is to go beyond simple commercial contracts and provide a broad international guarantee of access to supplies of fresh-fuel for reactors and spent-fuel management at prices cheaper than any one nation could match.

President Bush proposed a third approach in his February 11 non-proliferation speech: export controls. He called on the 40 nations of the Nuclear Suppliers Group (NSG) to refuse to sell enrichment and reprocessing equipment to any state that does not already possess full-scale, functioning enrichment and reprocessing plants. Members of the NSG, he said, should provide countries who renounce enrichment and reprocessing activities with civilian reactor fuel. While the president’s initiative is a positive step forward, his plan is complex, and he has yet to provide details.

Moreover, it will be difficult for the United States to persuade others to go along with new restrictions on nuclear fuel technology that appear to establish a new double standard. In addition to the existing standard where some nations are allowed to have nuclear weapons and some not, the president proposes that some nations

be allowed to manufacture the fuel for nuclear reactors and some not. The president would freeze the current situation in place: allowing those with existing full-scale plants to continue to make nuclear fuel, those without such plants would be barred forever from building them. Though designed to thwart Iran, it may also impact Brazil and other nations who will not want to rule out future national options.

II. SHUTTING DOWN THE NUCLEAR BLACK MARKET

Developments in Iran and Libya in the past year have led to the exposure of a sophisticated, international nuclear black market. These countries, North Korea and possibly others have paid millions to an extensive network run from Pakistan for components and expertise for secret nuclear weapon programs. This illicit ring helped these countries bypass many of the difficult, technical obstacles to producing weapons material and developing a weapon design. In doing so, they were able to sidestep the traditional mechanisms of the non-proliferation regime with little detection. With hundreds of agents scattered across five continents, the scope and sophistication of this network surprised most experts. Shutting down the Pakistan network permanently is essential to limiting the access of both countries and terrorists to nuclear equipment, materials and technologies.

The Proliferation Security Initiative (PSI), announced by President Bush in May 2003, could be an important part of the effort to build an international partnership of countries which, using their own laws and resources, could thwart this and other networks as well as state-to-state transfers of dangerous technologies. Under the PSI, countries would halt suspected shipments at sea, in the air and on land.

Interdiction is a positive and necessary non-proliferation tool. It redefines non-proliferation norms and allows the international community to take immediate and decisive action against suspected transfers of unconventional weapons, materials and related technologies. But it is a very limited tool. It cannot stop legal transfers of technology, for example, North Korean Scuds to Yemen. More importantly, there are serious questions about the level of cooperation the United States can expect from other countries due to the ad hoc nature of the activities. The PSI seems to establish a troubling double standard by choosing which countries are subject to interdiction and which countries are not. To-date, according to the State Department, fewer than 20 countries have agreed to participate in the PSI.

To succeed, the PSI must be grounded in international law and integrated into existing international organizations. It should be seen as a supplement to the global non-proliferation regime, not a substitute for it.

Recent efforts to provide broader legal basis for PSI action by amending the Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation (1988), or SUA, may be a useful step in that direction. I have attached a two-page Fact Sheet on SUA to my testimony as an aid to the Committee's consideration of this approach.

The UN Security Council Draft Resolution on Non-Proliferation also could help increase support for PSI. The resolution could provide international authorization for seizure of illegal material transfers by making such transfers subject to action under Chapter VII of the United Nations Charter. Chapter VII permits the Security Council to use sanctions or military force to compel states to abide by its demands.

Specifically, the draft resolution says that states, acting under Chapter VII, should establish domestic controls to:

“ . . . develop and maintain appropriate effective border controls and law enforcement efforts to detect, deter, prevent and combat, including through international cooperation when necessary, the illicit trafficking and brokering in such items in accordance with their national legal authorities and legislation and consistent with international law.”

And,

“ . . . establish, develop, review and maintain appropriate effective national export and transshipment controls over such items, including appropriate law as regulations to control export, transit, transshipment and re-export . . . ”

Without referring explicitly to the PSI, the resolution calls upon all states,

“ . . . in accordance with their national legal authorities and legislation and consistent with international laws, to take cooperative action to prevent illicit trafficking in nuclear, chemical or biological weapons, their means of delivery, and related materials.”

III. BLOCKING TERRORIST ACQUISITION OF NUCLEAR WEAPONS AND MATERIALS

The risk of a nuclear device, or nuclear material falling into the hands of terrorists is a nightmare scenario. While the United States has devoted enormous resources in a war against terrorist organizations and suspected state sponsors, comparatively little has been done to address the supply side of the equation. The most likely sources from which terrorists might acquire a complete warhead or fissile material are in the states of the former Soviet Union. Russia's nuclear complex is vast—dispersed over hundreds of facilities throughout the country—and contains hundreds of tons of plutonium and highly enriched uranium and nearly 10,000 warheads held in reserve. Much of the Russian complex is protected by inadequate or nonexistent security.

The Nunn-Lugar programs to secure and eliminate nuclear weapons and materials in the former Soviet Union have proven to be an extremely effective tool, even at their present, limited level of funding. Expanded globally, they could help ensure that terrorists do not acquire weapons or materials from Russia or other insecure facilities in dozens of countries around the world. While President Bush proposed expanding Nunn-Lugar programs February 11, his recently released FY 2005 Federal Budget cuts these programs in the Department of Defense by ten percent (\$409.2 million this year compared to \$450.8 last year). Similarly, the budget for the Department of Energy's programs to secure Russian nuclear materials would decline from the current level of \$259 million to \$238 in the FY 2005 request, or an 8 percent reduction.

The Nunn-Lugar and related programs are cheap compared to other defense programs. The United States now provides just under \$1 billion a year to these efforts in the Departments of Defense, Energy and State, but many proliferation experts believe the United States should triple that spending. For the price of three weeks of operations in Iraq, the country could make tremendous progress in removing and securing the weapons and materials terrorists are most likely to seek.

IV. CONCLUSION: FOLLOW THE LEADER

The United States must set the standard for any effective non-proliferation strategy. For the past 20 years, the US has reduced its dependence on nuclear weapons. With the demise of the Soviet Union, the US had no need to balance or counter a nuclear peer competitor, and could focus on strengthening the norm against nuclear use. This is directly in U.S. national interest as nuclear weapons are the only weapons that can counter the U.S. conventional military superiority.

Today, however, major elements of US nuclear policy are in conflict with the goal of nuclear non-use. Programs to design new nuclear weapons, opposition to the Comprehensive Test Ban Treaty, and a nuclear posture that declares an important role for nuclear weapons against even non-nuclear threats, plans on the maintenance of thousands of nuclear weapons indefinitely and calls for the development of a new generation of nuclear armed missiles, submarines and bombers, all enhance the perceived value of nuclear weapons. If the United States begins to deploy more usable nuclear weapons, would not other countries follow suit? Instead of contemplating new nuclear weapons, the United States should be protecting this overriding interest in non-use. It should maintain a clear policy that the only reasonable use of nuclear weapons is to deter the use of nuclear weapons by others and work to reduce global stockpiles to the absolute minimums.

Finally, any inspection effort, any export control regime and any interdiction effort must be backed by credible consequences in the event of noncompliance. Ultimately, in the event that inspections, sanctions, and other constraints do not succeed in the task of disarming an uncooperative nation, the United Nations or a credible coalition of nations should be prepared to authorize military force as an option of the last resort. The ability of the United States to gather this coalition will depend heavily on the legitimacy of its leadership and international perceptions of the fairness of norms being enforced.

FACT SHEET ON THE "CONVENTION FOR THE SUPPRESSION OF UNLAWFUL ACTS AGAINST THE SAFETY OF MARITIME NAVIGATION, 1988 (SUA)"

- *Origins*

In November 1985, the Assembly of the International Maritime Organization (IMO) adopted resolution A.584(14), which addressed increasing concerns over the safety and security of ships and their crew and passengers. One month later, the UN General Assembly adopted resolution 40/61, which asked States for their co-

operation in tackling terrorism. In particular, the IMO was to propose measures confronting terrorism aboard or against ships.

- *Highlights of the Convention*

The Convention was adopted in Rome in 1988 and entered into force in 1992. It deals with any threats to an unlawful take over of a ship by force or intimidation; any acts that might endanger the safe navigation of a ship; and any attempt to injure or kill a person as a result of the above offenses. State Parties are required to develop punitive measures appropriate to the nature of the crime. Prosecuting procedures are subject to the laws and regulations of the Flag State, the State of which the offender is national, or the State in whose waters the offense took place.

The Convention calls for “the greatest measure of assistance in connection with criminal proceedings” among State Parties, “in conformity with any treaties on mutual assistance that may exist between them.” Similarly, States are to cooperate in establishing procedures to prevent offences within their territories, including exchanging information and coordinating administrative tasks, within the limits of their respective national laws.

The Convention does not apply to “a warship; or a ship owned or operated by a State when being used as a naval auxiliary or for customs or police purposes; or a ship which has been withdrawn from navigation or laid up” or government ships used for non-commercial purposes. International Law continues to preside over any matters not addressed by the Convention.

As of January 2004, a total of 102 countries have joined the Convention, 37 since September 11, 2001.

- *Amendments*

Following the 9/11 attacks, the IMO Assembly adopted resolution A.924(22), which called for improved measures to prevent acts of terrorism. At the latest Assembly’s meeting in October, 2003, the Correspondence Working Group led by the U.S. introduced several proposals to amend article 3 of the SUA Convention so as to include an expanded number of offenses.

In particular, the Working Group presented two alternative options to treat offense for transporting WMD and non-proliferation offense that the original Convention did not cover.

Alternative One would have article 3 to include:

- offense for transporting WMD in which transporter must have the terrorist motive at the time of transportation
- offense for transporting WMD where the terrorist motive is with respect to the terrorist act and not the actual transportation
- non-proliferation offense:
 - a. offense for transporting chemical, toxic chemicals or their precursors, munitions and related materials, in situations where the transporter knows that he is transporting prohibited items and that it will be used for or as a weapon/a hostile purpose
 - b. offense for transporting any nuclear weapon or other nuclear explosive device, with the transporter’s knowledge
 - c. offense for transporting fissile material, equipment, dual-use equipment, biological agents, weapons or means of delivery

Alternative Two is a variation of Alternative One, but deals with similar offenses.

Objections:

The most significant objections regarding offenses for transport of WMD include:

- the possibility of including too rigorous clauses that threaten the principle of freedom of navigation and discourage broad support
- the IMO is not the appropriate forum to deal with non-proliferation concerns that are already dealt with by other treaties, i.e. IAEA, OPCW
- as proposed, article 3 lacks reference to the terrorist motive
- terms such as ‘precursors’, ‘hostile purposes’, ‘toxic materials’, ‘double-use’ need to be better defined
- specific provisions to exclude from criminalization legitimate transportation allowed under other treaty regimes should be included

No agreement has yet been reached regarding these issues. The IMO Assembly will be meeting again from April 19 to April 23, 2004 to discuss differences among State Parties. On April 13, however, the U.S Shipping Coordinating Committee will

hold a preliminary public meeting at the U.S. Coast Guard Headquarters in DC to discuss the latest developments.

Mr. ROHRBACHER. Thank you very much.
Mr. Gilinsky?

**STATEMENT OF VICTOR GILINSKY, PH.D., FORMER
COMMISSIONER, U.S. NUCLEAR REGULATORY COMMISSION**

Mr. GILINSKY. Mr. Chairman, Mr. Ackerman, Mr. Delahunt, Mr. Schiff, the Committee's letter asked us to address the dangers inherent in the spread of nuclear fuel cycle plants and the problems of the Nuclear Nonproliferation Treaty and what we might do about them in particular beyond the current Administration's program.

The President, of course, spoke about these things on February 11, as has been mentioned. To me, the broader message is this; that however much we need nuclear power, we have a more immediate and overriding security interest in stemming the spread of nuclear bombs.

To limit the risks of their use, we are going to have to limit certain worrisome nuclear activities around the world, and that means in effect we have to tighten the application of the nonproliferation treaty in a way that would make it consistent with its original purpose. I believe that to gain the international support to do that we have to have common rules for all, and if I have any contribution to make here today it is to stress that last point.

Now, we know that the technology of most immediate concern today is uranium enrichment by centrifuges, and we have all read in the newspapers about how Pakistan stole the technology from Germany and the Netherlands, developed it and then passed it on to North Korea, Iran and Libya. I suspect this is only part of the story.

Our first priority has got to be to stop this clandestine trade, but closing the back door to the bomb, so to speak, is not going to be enough if we leave the front door wide open. As has been mentioned here already today, the trouble is that the NPT does not specifically proscribe technologies and materials that bring countries dangerously close to bomb making. It is this ambiguity that Iran, for example, is exploiting in its insistence that it has the right to enrich uranium and extract plutonium.

In the past, we have tried to deal with dangerous situations on a more or less ad hoc basis, but I think we have run out the limit of that approach. To my mind, we need a new unambiguous NPT interpretation of what is acceptable, one that provides a wider safety margin between activities that are safe to conduct and possible bomb applications.

The hard part is making that stick. We also cannot let countries escape responsibility by either not signing the treaty or withdrawing from the treaty. This is a tough proposal or set of proposals to sell, but the alternative is to accept living in a nuclear jungle.

Experience tells us that nothing is going to happen unless the United States gets out in front. At the same time, we cannot realistically expect to get very far by ourselves. The key to broad support is agreement on common standards, one we ourselves accept.

This is the element that I find missing in the Administration's program.

To tell others do as we say, not as we do, is just not going to work. We cannot have one set of rules for countries that we like and another set of rules for countries that we do not like.

For a comparison, I would like to take you back to President Gerald Ford's 1976 watershed statement on nuclear policy. It reads well today. It is worth going back to. President Ford asked others not to extract and use plutonium. That was the main concern at the time. It is still a concern today, of course.

The important thing for our discussion here today is that he decided that the United States would itself act in a way that is consistent with what we asked of others. Unfortunately, we have strayed from that principle.

I give some examples in my prepared testimony of plutonium related activities the Energy Department is conducting that are unhelpful from the point of view of nonproliferation and unfortunately doing that with the support of the Administration's energy program, energy policy statement. There is no economic imperative to get into plutonium commercialization. Modern reactors do not need plutonium.

Now, the enrichment problem is tougher because modern reactors do need enrichment. Centrifuge technology lends itself to small operations. If such plants become widespread, we are going to find it very hard to keep track of their output, and—this is very important—it will be extremely hard to find clandestine plants because their indications would be masked by the commercial ones.

The only sensible answer is to restrict the number of centrifuge operations around the world to a few large ones, but how? In my written testimony I suggest one way of limiting this in a way that still sticks to common standards, but it is a tough problem. There is no question about that. There are no easy answers.

Above all, in approaching this subject we have to keep our security priorities straight, and we have to act in such a way that no one doubts our purpose.

Thank you.

[The prepared statement of Mr. Gilinsky follows:]

PREPARED STATEMENT OF VICTOR GILINSKY, PH.D., FORMER COMMISSIONER, U.S.
NUCLEAR REGULATORY COMMISSION

THE NUCLEAR FUEL CYCLE AND THE SPREAD OF THE BOMB

You have asked me to address the dangerous spillover from nuclear fuel plants that the President spoke about in his February 11 speech on proliferation.

To me the message is that however much the world needs nuclear power, it has an even more immediate and overriding security interest in stemming the spread of nuclear bombs. To limit the risks of their use we have to curtail worrisome nuclear activities. We have to do this intelligently and in a way that gains broad support around the world.

Technology of Most Immediate Concern Today Is Uranium Enrichment

For many years our main concern in this area was the spread of plants that extract plutonium from used fuel. Once extracted, the plutonium is accessible for bomb use if that is what its owners intend. This is still a concern (one has only to mention the 8,000 missing North Korean fuel rods).

But the technology of most immediate concern today is uranium enrichment by centrifuge. Enrichment plants are needed to prepare commercial reactor fuel. But they can also enrich to much higher concentrations usable for bombs. A centrifuge

plant that is small in commercial terms can produce a lot of bomb material, and it is easy to hide. A commercial plant sized to supply the fuel needs of one standard reactor could be reconfigured quickly to produce enough nuclear explosives for 20 bombs *per year*.

The depressing chronology of how centrifuge technology spread over the past decades from Germany and the Netherlands to Pakistan and from there to North Korea and Iran and Libya—and we can be sure this is only part of the story—provides us a list of what *not* to do if you care about stopping illicit access to bomb material.

Lax security at Urenco, the German-Dutch-British enrichment enterprise, allowed Pakistan to steal plans and contractor lists. Weak European export controls made it easy for unscrupulous contractors to supply the Pakistanis.

We did our share to enable Pakistan's bomb-making by looking the other way to encourage their help in the Afghan war against the Soviets. (A senior Pakistani nuclear manager told me they were pleased but astonished at the extent to which we did this.) Our intelligence agencies were slow to pick up what we now know—that the Pakistanis then proceeded to spread the technology.

The lessons for dealing with the clandestine trade are: tighter security, stronger export controls, *no relaxation of U.S. anti-bomb priority*, and sharper intelligence.

Steps for Fixing the Nonproliferation Treaty

But closing the back door to the bomb, so to speak, is not nearly enough if we leave the front door wide open. The Nonproliferation Treaty does not specifically proscribe technologies or materials that bring a country dangerously close to bomb-making. It is this ambiguity that Iran exploits when it insists it has the right to enrich uranium and extract plutonium.

In the past we tried to plug the holes in the NPT system with ad hoc measures, but the system is getting too stressed for that. If we are going to use nuclear power, let alone expand its use, we need a new approach. As the President said on February 11, we can't let countries violate the purpose of the Treaty "under the cover of civilian nuclear programs." The Director-General of the International Atomic Energy Agency, Dr. Mohamed ElBaradei, says the same thing.

We need to:

- *Draw the line at what is too dangerous:* We need a new unambiguous NPT interpretation of what is acceptable, one that provides a wider safety margin between permitted uses and possible bomb application.
- *Make it stick by raising the cost of violations:* Formalize Treaty enforcement by agreeing on prompt and predictable international sanctions.
- *Bar the door to Treaty withdrawal as a way of avoiding enforcement:* Make clear that Iran cannot gather the wherewithal for bombs and then avoid Treaty enforcement by withdrawing before it makes the bombs; nor can North Korea avoid squaring accounts with the IAEA inspector by withdrawing.
- *Rope in the non-signers:* The Treaty members should inform the three non-signers—India, Israel, and Pakistan—that we will hold them accountable for their nuclear technology exchanges with other countries.

This is a tough program to sell and any number of policy experts will tell you why it can't be done. But if that is so we had better prepare to live in a nuclear jungle. This much I know: nothing will be done to tighten the rules unless the United States takes the lead.

Key to Gaining Broad Support for Effective Action Is a Common Standard for All

At the same time, we cannot realistically hope to get very far by ourselves. I believe the key to broad support for effective action is agreement on common standards, ones we ourselves accept.

This is the element I find missing in the president's February 11 speech. "Do as we say, not as we do," is not going to work.

And we can't have a permissive set of rules for governments we like and a different one for those we don't. How, for example, can we persuade that it is acceptable for Pakistan to enrich uranium but not acceptable for Iran? What do we say to Brazil, which has a substantial centrifuge plant underway? We can't convince the world by treating each country as a special case.

For a comparison in approach I'd like to take you back to President Gerald Ford's 1976 watershed statement on nuclear policy. Back then President Ford asked others not to extract and use plutonium at least until we had the international protection to make it safe to do so. The thing I want to underline is that he decided the United States would itself act in a way that was consistent with what we asked of others. "We must be sure," he said, "that all nations recognize that the U.S. believes that

nonproliferation objectives must take precedence over economic and energy benefits if a choice must be made.”

As it turns out plutonium fuel is highly uneconomic and nuclear power doesn't need it, so it has become easier to act consistently with what we ask of others. Despite this, the Department of Energy, with the support of the administration's energy plan, has been trying to loosen the restrictions on the technology to ease the way for plutonium-related reactor programs in the United States. I believe the US-Russian program to use surplus plutonium to fuel civilian reactors falls in the same category. It is justified on the basis of nonproliferation, but it is in my view principally a way of getting the plutonium camel's nose in the tent. If we continue with these DOE programs we will encourage plutonium use world-wide, including in some chancy places.

Proposal for a Common Standard for Enrichment

The enrichment problem is tougher because modern reactors cannot do without enrichment. (There is, however, no need for bomb-grade enriched fuel that is now still in use at some research reactors.) If centrifuge enrichment plants become widespread we will find it very difficult to ensure that they are all restricted to low enriched output, or to keep track of their output. It will become especially difficult to find clandestine plants because their indications would be masked by those of commercial plants. To add to our worries, if a would-be bomb-maker started with low enriched uranium instead of natural uranium, his work to reach the highly enriched bomb grade stuff would be *reduced by a factor of five*. The only sensible answer is to restrict the number of centrifuge operations to a few large ones. But how can we persuade countries to go along with this?

I don't hold much store in the various proposals for multinational fuel centers that have occupied academic seminars for years but lead nowhere. I have to say I am also skeptical about the President's fuel guarantee proposal. I think it would end up as an ever-growing carrot. The best guarantee is a market with several competing commercial suppliers.

A way of squaring this desired result (only a few large centrifuge operations) with the application of a common security standard is to make centrifuge enrichment plant owners pay the large safeguards cost they impose. A hefty minimum would make small plants uneconomic to operate. Encumbering small centrifuge plants in this way would be fair because the international security cost they impose is way out of proportion to their size.

Need for Continued Close International Inspection

It would be nice to end by saying that if we limited commercial enrichment and reprocessing we wouldn't have to worry about the reactors themselves. Unfortunately, mainly because of the concern about small clandestine reprocessing plants, reactors and their fuel will always need close IAEA oversight, especially those located in iffy countries. Restricting fuel cycle plants will however make the inspectors' safeguarding job manageable.

There are no easy answers. Above all, we have to keep our security priorities straight, and to act in such a way that everyone understands them.

Mr. ROHRABACHER. Thank you very much, and thank you very much to the entire panel.

I think what we are going to do now, whereas I am in control of the chair and there is only one of us and three of you guys, I think I am going to let Mr. Ackerman have his first shot at it.

Mr. ACKERMAN. Thank you. I appreciate the gesture, Mr. Chairman, and I will follow your suit and go last so that some of our colleagues down the line might get in all of their questions.

Mr. ROHRABACHER. All right. Mr. Schiff, I would imagine, or Mr. Delahunt? Which one came here first? Mr. Delahunt?

Mr. DELAHUNT. Thank you for some excellent testimony. I always find it interesting that after the government witness, and I do not mean to direct this at Mr. Bolton, when he leaves and the press file out of the room, we really can get into some substance. But no. Excellent testimony from all of you.

I will in this particular case read all of your written testimony. I certainly do not consider myself an expert in terms of the NPT

or proliferation. Mr. Bolton referred to nation states and our dealings with nation states in terms of the control factor, the compliance, if you will, the mechanisms exist.

My good friend, the Chair sitting there now, talked about Pakistan as being a proliferator, but again I think I heard from Mr. Bolton it is not Pakistan that is the proliferator, at least according to the Administrator. It is Mr. Khan who is the proliferator.

I have some serious reservations as to whether the premise that was put forth by Mr. Bolton that top echelons of the Pakistan Government were unaware that this was going on, that is a tough one to swallow, but swallowing it for a moment just for purposes of conversation and discussion here, how do we deal with that issue, that specific issue, where we have Mr. Khan who is out there?

Again, I do not know whether the Administration's position is that we do not feel we need access to Mr. Khan or the Pakistan Government has indicated that they would not accede to a request for our interviewing of Mr. Khan. How do we deal with situations like that?

Mr. SOKOLSKI. I guess I am feeling confident because there are so few of us here.

Mr. DELAHUNT. Right. It is just among friends.

Mr. SOKOLSKI. Permission to speak candidly.

Mr. DELAHUNT. Right.

Mr. SOKOLSKI. Unfortunately, every Administration has chosen to say it is not the Russians, it is not the Chinese, it is not the Pakistanis. It is some entity. You will notice our sanctions are laced with waivers to exempt countries and geared to find that entity.

However, there was an awfully good presentation by George Schultz that I recommend to everyone here. One of the printings of this was in *The Wall Street Journal* recently. What he emphasizes is that if the war on terror means anything, it is a war to make states stronger and more responsible.

Mr. DELAHUNT. Accountable.

Mr. SOKOLSKI. And accountable.

Mr. DELAHUNT. Right.

Mr. SOKOLSKI. I guess I always start with the minimum as kind of a bellwether. In answer to your question, I would at least say that it would be a mistake to reward the State of Pakistan by looking the other way when we really have a choice not to.

With regard to China's nuclear sales to Pakistan, what we are doing right now with the French and the Japanese is scrambling to make nuclear reactor sales to China and not raising our voices, certainly not publicly, about China's announced sales of reactors to Pakistan.

I note in my written testimony that China announced that it wants to become a member of the Nuclear Suppliers Group. That group has guidelines. If China was a full-fledged member, those guidelines would tell it that it could not make these reactor sales to a country like Pakistan because Pakistan has not opened up its facilities to full scope safeguards.

It would seem to me a good place to begin—certainly not a last thing to do, but the first thing to do—to at least complain to China and hold up our reactor sales to China along with the French and

Japanese until the Chinese relent and say they are going to suspend their reactor sales to Pakistan. That would help.

There are many other things you could do, and some of these things were mentioned by your side, but I think there is where to start. By the way, we are making a trip to make this pitch next month.

Mr. DELAHUNT. Good luck.

Mr. ROHRABACHER. The time is up. However, why do we not just have the other two witnesses answer the same question because I think it was posed to the panel.

Mr. CIRINCIONE. Very quickly, sir, I think the most important priority is to break the Khan network. There is no assurance that we have done that yet. We have to have access to Khan publicly or privately. We have to talk to him to understand who worked for him, who he sold this equipment to, who were his sub-subcontractors and trace it then all the way down the line.

If the Pakistan Administration finds it embarrassing to give public access to Khan, give us private access to him. Give us access to others in that network. The danger we face now is tertiary proliferation.

Do the Malaysians have the plans for the centrifuges? Do they have xerox machines in the offices in the Malaysia where those plans were made?

Mr. DELAHUNT. All right.

Mr. CIRINCIONE. We have to go all the way down the line and crack that open. That is the number one priority.

Mr. DELAHUNT. Mr. Gilinsky?

Mr. GILINSKY. Well, one has to say it is it strains credulity to believe that the government was not aware, the Pakistani Government was not aware in detail.

Mr. DELAHUNT. What concerns me, Mr. Gilinsky, is that I mean I think everyone in this room knows it is a charade. I mean, I think we have to be honest with each other, and until we put the truth out on the table, I mean here there is a pardon that is given an individual after he is confronted with this information.

We know—I am sure everyone on this side of the panel knows—that there will be story after story. Representative McCollum brought out a story that was put out yesterday about the daughter of Khan.

I am concerned that the United States, put aside any partisan differences here, is going to be embarrassed as being complicit with the charade when it is time to get it out on the table, but how do we address it?

Mr. GILINSKY. Well, let me just make a related remark. I think we are often too ready to say that we have no choice, that we are in a tough situation and have no choice but to give in on these points.

I think it is worth recalling the situation back at the time of the Afghan war against the Soviets. At that time, we felt we had no choice but to go along with the Pakistanis and look the other way at their nuclear weapons program.

I happen to have had the experience of speaking with a senior Pakistani nuclear scientist or nuclear manager really, and he said

they were very pleased that we looked the other way, but they were really amazed that we did.

I think that it may well be the case, the same case here. I think we may be giving away too much too fast, but it is very hard to say without knowing the facts in detail.

Mr. ROHRABACHER. Thank you very much.

Mr. Schiff? One note, Mr. Schiff, from an earlier exchange. The question would not be as you posed it comparing where the programs are today as compared to where they were 3 years ago.

The only comparison that would make sense would be if the policy of 3 years ago were to continue, where would it have left us today as compared to where we are today. Do you understand the difference between that?

Mr. SCHIFF. Mr. Chairman, I do, and I think that is a fair question too. I am not sure the answer would be we are much, if any, better off now.

Mr. ROHRABACHER. Okay.

Mr. SCHIFF. That is certainly a fair observation.

Mr. Chairman, I want to say at the outset that this idea of having questions in almost reverse order seniority is an outstanding one, and I hope it—

Mr. ACKERMAN. This is not a precedent setting deal.

Mr. SCHIFF. I was going to say I hope it catches on like wildfire at least for the next 10 years after that, when we might want to resume seniority.

I wanted to follow up on a question that Mr. Bolton did not have a chance to respond to, and that is one of the suggestions that has been made, Dr. El Baradei has made, is in order to get away from this essentially flawed bargain of NPT where we help countries develop the enrichment capability, et cetera, for peaceful nuclear energy that rather we would supply the material, collect it when it is spent and not risk these countries getting to the brink of being able to produce a bomb. I wonder if you could share your thoughts on that particular proposal.

A second question is I think a lot of what the President laid out in his speech at NDU is very positive, but I wonder, given where we are in the world right now, given the low esteem that we are held in much of the world and the diplomatic strife that exists, do we have the diplomatic capability to do the heavy lifting to bring about the realization of a lot of the goals that were set out in the President's speech?

Will this not require a new international level of commitment, a common vision of nonproliferation which to the degree it existed before it has been pretty well shattered by the last few years, and how can we go about constructing that international framework and commitment to really attack this incredible threat?

Mr. SOKOLSKI. Maybe I could—

Mr. CIRINCIONE. Let me just start on the nuclear fuel cycle. This is perhaps the most important issue because it gets right to the core of the nonproliferation treaty regimes. It is one of the two core bargains in the regime.

One is that those nuclear weapons states that have weapons will eliminate those weapons eventually in exchange for the other states not acquiring them, and there is this other deal that was

built into the treaty that promises countries access to nuclear fuel technologies, all nuclear technologies, if in fact they do not pursue a bomb program.

That deal has to be redone. We may have complete agreement. No, we do not. Okay. I do not believe you can allow countries to acquire the technology that can be used to produce nuclear fuel rods one day and nuclear bombs the next. It is the same technology.

The director of the IAEA, El Baradei, proposes a solution to this. He is proposing one of the three main ideas out there. He says let us internationalize the fuel making ability so that no one nation owns it so that it is under international control, so any country that has a reactor that wants the fuel would get it from this international authority, burn the fuel rods in the reactor then return the fuel rods to this international authority.

A second approach is to try to come up with a market that would do that, perhaps not an international process where an international government owned it, but several governments might own it and set up a consortia that would do the same thing.

The third approach is the one that the President proposes, which is basically export controls. Stop exporting that technology to any new nation. The problem with that, as was discussed during the Committee hearing, is that sets up a double standard. Some people are allowed to have this technology. Others are not. We have to hear from the Administration how they would propose to do that.

Those are the three answers. One of them has got to work.

Mr. SCHIFF. Can you all comment on Dr. El Baradei's proposal? It seems to me that the weakness in the export control is that it can be incomplete. We may not be able to successfully interdict and preclude export of technology.

Mr. Sokolski?

Mr. SOKOLSKI. Yes. I think we are all overly optimistic when we think of these kinds of limited solutions because we do not understand how close a country is to making bombs when it has large reactors, whether they are large research reactors, power reactors, desalinization plants.

Also, I think we do not appreciate that if you have international fuel cycle centers, you set up the scene where taxpayers from around the world are going to be subsidizing activities that probably, as the President points out, should not be done at all and are not needed and will train more people to make bomb materials. So we need to be very skeptical of some of these suggestions which support the nuclear industry, but not nonproliferation.

I recommend that we come up with a new precept, if not a rule, or a public diplomacy point that applies to everyone with regard to large reactors. As long as you have a large reactor, you are always going to have fresh fuel that could be converted by a covert enrichment plant and turned into bombs very quickly, and you are always going to have fuel in the reactor that could always be taken out or spent fuel that is sitting for a short while and sometimes not so short a while before it can be transported to a covert reprocessing plant and quickly converted into bomb material.

That, too, can be made into bombs very quickly covertly, so if you are not addressing—

Mr. SCHIFF. But, Mr. Sokolski, one of your suggestions was demand that states that failed to declare nuclear facilities the IAEA as required by safeguard agreement dismantle them to come into full compliance—

Mr. SOKOLSKI. Right.

Mr. SCHIFF [continuing]. And disallow them if they are not in full compliance from legally leaving NPT. That seems to me very optimistic that there would ever be the international will to make that happen.

Mr. SOKOLSKI. It seems to me we have a problem if we nibble around these issues the way we have been doing for the last 40 years with fixes that compound the problem.

The reason I put those things forward is I thought we are getting religion on bomb material moving around and getting into the hands of the wrong people. I think the Europeans, quite frankly, are going to be extremely receptive if the United States comes forward with regard to country neutral rules.

I have talked with their diplomats on a regular basis. They are itching for that, and it seems to me we have built up a tremendous amount of capital politically by not doing that such that when we do we are not going to be alone.

Mr. ROHRABACHER. Perhaps Mr. Gilinsky would like to answer.

Mr. GILINSKY. Let me just briefly say that this idea has been studied to death for years and years and years and has never gone anywhere. I think the reason is because it flies in the face of commercial realities and technological realities. You just cannot have some U.N. run industries in effect.

I think we do have to find some way to limit the number of these enrichment facilities and to do it in a way that is reasonably country neutral. I suggest one in my testimony. I expect there are others. It is not an easy thing to do, but it is an essential goal.

I do not think that those multinational, international fuel cycle ideas—they work well in Harvard seminars, but they do not work so well in the real world.

Mr. ROHRABACHER. Thank you very much.

Whereas I am the Chair, I will now take the prerogative of having my time. Gary, if you would like to finish up, I would be happy to—

Mr. ACKERMAN. Take your time now. Go ahead. I will go after you.

Mr. ROHRABACHER. Okay. All right. First and foremost, let me ask about China and the role that China plays in all of this.

Is not China the player behind the curtain that we are afraid to confront here? Do the Pakistani operation and many of these other operations not trace right back to China?

Mr. GILINSKY. Well, certainly the Chinese bomb design seems to be part of the Pakistani package, so it is something to worry about.

Mr. ROHRABACHER. So here we are. China is becoming the biggest trading partner of all of the countries that are concerned supposedly, including the United States, and correct me if I am wrong, but during the last Administration it was somewhat proven that there was some large transfers of technology that could prove damaging to us, to the Chinese. This is not going to get any better until we start facing reality with Communist China.

Mr. SOKOLSKI. I would add to that we need also to get serious about Russia. We are about to do some waivers on some laws called the Iran Nonproliferation Act with Russia.

Mr. ROHRABACHER. But did Russia play a role, for example, and I think you mentioned it earlier, in Pakistan's development?

Mr. SOKOLSKI. They certainly played a role and are playing a role in Iran's development and so we have to add them to the list.

Mr. ROHRABACHER. Sure. We will get back to Russia in one moment because I think the Administration—just a note.

About 2 years ago, I went to the Administration, high level people in the Administration, and suggested that in order to get the Russians out of the Iranian nuclear weapons or nuclear power deal we should offer them an alternative. You cannot just expect the Russians and their horrible economic condition simply to take the loss.

Let me note that to my knowledge, the Administration never followed up on that. Surprise, surprise. The Russians were not willing to give up the profit from their Iranian nuclear deal. In other words, in order to get someone from not doing something bad, we have to at least give them an alternative so they will not suffer great losses.

Mr. SOKOLSKI. Are we now spending an inordinate sum of money, something on the order of \$10 billion, to set up facilities that I find actually questionable, mixed oxide fuel facilities. I think there is plenty if we are willing—

Mr. ROHRABACHER. In Russia?

Mr. SOKOLSKI. To Russia, yes.

Mr. ROHRABACHER. We never set it up as an alternative. We never said you do this, and we will do that.

Mr. SOKOLSKI. No. I think we need to be careful here. There is not enough money in the Treasury of the American republic to pay off every Russian person that might threaten to proliferate, and I think once you go down that road you are never going to have spare cash.

Mr. ROHRABACHER. I think it is also fair to say that when someone is in a bad economic situation and for you to expect them to do something that is difficult for people who are in positive economic situations that you are not being realistic in how you are approaching the problem.

Mr. SOKOLSKI. But you could go one step further. Their relationship, Russia's, as well as China's, to Europe, Japan and the United States economically far outstrips the hundreds of millions of dollars they might make selling a reactor.

Mr. ROHRABACHER. There is no doubt about that, and that is why you have to make it specific rather than general.

What has happened generally to the money we transmitted to Russia, especially during the last Administration, it went into a big, black hole, and we saw nothing for it, and the Russian people were worse off.

Maybe some of the things we did with them on nonproliferation in terms of trying to dismantle some of their weapons was one area that looked even halfway acceptable in terms of what we got out of it for the investment, but most of the things we dealt with over the last 10 or 15 years have been catastrophes.

You are anxious to make a point. Go right ahead.

Mr. CIRINCIONE. I am familiar with your position on these issues, and I respectfully disagree. I think the Nunn-Lugar programs have been a remarkable success story.

Mr. ROHRABACHER. As I said, there was that one area.

Mr. CIRINCIONE. Yes. On that issue, as you may know, the Cutler-Baker report, the Lloyd Cutler-Ambassador Baker report of some 3 years ago, recommended that we triple the funding that we spend on these programs.

For me, that is one of our highest priorities. If you are worried about a terrorist getting a nuclear weapon, you have to be worried about the stockpiles that are insecure still in Russia today. I say lock that up as soon as possible.

Mr. ROHRABACHER. Let me note this and go back to one of your basic points that you made in your testimony that instead of trying to have regime change we should be seeking a change in the behavior of the regime.

Had we not sought regime change in the Soviet Union, the very program that you are pointing out was very successful, there would never have been a program like that with the old Soviet Government. It is because we got rid of the Communists. That is what made it possible for us to have the Nunn-Lugar type operation that you are now applauding.

Mr. CIRINCIONE. Sir, I think the U.S. policy always has to have a variety of options, a variety of weapons in its quiver. We should not be overly fixated on one of them.

Mr. ROHRABACHER. Okay. Let me just note, and I think I have used up my time, and I will let Gary proceed, but the thing that we can do the most for protecting this world against nuclear weapons is to make sure that we oppose tyranny and injustice and dictators like we find in China, like were the ones in control in the Soviet Union, like the ones that are now in control of Iran, and work with people who want to struggle to develop democratic government because it is regime change in the end that will make the difference.

You can bargain all you want to with the Saddam Husseins of the world, and no matter what they say within 5 minutes it does not make any difference what they said because they are liars, and they are immoral. It is regime change with those type of horrible dictators that will make a difference in this world and in dealing with this problem.

That is my position, but Mr. Ackerman may or may not agree. Mr. Ackerman?

Mr. ACKERMAN. I think that if you were in charge of policy it would be a very exciting world.

Mr. DELAHUNT. Mr. Chairman, I would like to associate myself with the remarks by the Ranking Member.

Mr. ACKERMAN. I can see it all now going along with the preemptive nonproliferation policy and going full speed ahead, having a regime change program for China, for Russia, for—who else do you want?

Mr. DELAHUNT. Uzbekistan.

Mr. ACKERMAN. Syria.

Mr. DELAHUNT. Turkmenistan.

Mr. ACKERMAN. Pakistan, all the stans.

Mr. DELAHUNT. Many of those that participate in the coalition of the willing, I would suggest.

Mr. ROHRABACHER. Boy, am I getting it today.

Mr. DELAHUNT. You are outnumbered.

Mr. ACKERMAN. Let me first say how much I and others appreciate the quality of this panel and their thoughtfulness and the succinct way in which they have made both their presentations and have answered the questions of the Members who, by the way, have asked I think very good questions on both sides, demonstrating the interest, though we may have different conclusions or starting points.

I think maybe Panel 2 should have gone before Panel 1, and if we have a redo of this hearing I think maybe we should do it that way, but that would be up to the Chair to call that shot.

I do find it interesting that the first panel was the only person in the room who really believed that we should not be talking to A.Q. Khan and that there was no evidence that the Government of Pakistan in any of its previous incarnations or titles to which it gave itself was implicit in any way in the planning, the process, and some might even suspect, but this is only a suspicion because of what goes on in that particular country in that particular part of the world, the profit sharing of those billions and billions of dollars that somebody accumulated and was forgiven without any accounting.

I do not know of any reasonable person looking at this problem that would not want to say hey, the U.S. has a tremendously important vested interest in finding out firsthand from the source, from A.Q. Khan himself, absent a filter supplied by his defender and forger, the answers to the questions that we need to know in order to figure out who has what, how they got it and how much of this has gone on in different places in the world, notably North Korea.

Unless the United States and like-minded states are prepared to militarily change the regime in Iran and North Korea, I would think you have to persuade them to give up their nuclear programs. You have to influence their calculations of the benefits and costs of a nuclear arsenal.

It is interesting to note that rogue states do not consider themselves as rogues. They believe they have legitimate interests, important national interests in acquiring nuclear weapons for deterrence, for defense, even for prestige, for ego and for public political support in their own country and regions.

How do we influence their perceptions of their interests, however misguided they might be? Is coercion and condemnation enough to get the kinds of results that we want? Maybe each of you could respond to that.

Mr. SOKOLSKI. I think it is very important to deprive the proliferator of the benefits of what he thinks he is going to get with the bomb he might build. That is not necessarily requiring you to invade in every case, in most cases, and if you act early, in none of the cases.

My center just finished a preliminary study with regard to Iran. We already think we know what they will do as they become more

nuclear ready in the region. They will shake down their neighbors for money, just like Iraq did in the 1980s, with government-to-government financial transfers. They will start using their influence in the control of the Gulf with regard to maritime passage and fortifications.

We can do things about that now. What we do not want to do and should be very careful to avoid doing in all these cases, North Korea included, is reaching for any deal that will undermine non-proliferation standards. This is necessary to keep others from emulating the proliferation activities of the country we are dealing with.

I think that is where, in all honesty, my center took strong exception to the Agreed Framework which promoted the reactor sales to the DPRK. It just stood out, that particular feature, as something that taught the wrong lessons and made the whole agreement not worthwhile.

It is that kind of attention to detail we need to have when we go into any kind of talks.

Mr. ACKERMAN. If I can ask you to just expand on that, Mr. Sokolski? Are you saying the energy that we supplied in the form of oil or money for oil to wean the North Koreans away from the heavy water reactor and set up a light water reactor was not the kind of swap that you would make?

Mr. SOKOLSKI. Well, first of all, both Victor and myself have worked some time together in detailing the actual characteristics of that deal.

Our offer of oil was an awfully generous offer based on some wildly optimistic characterizations of what the DPRK might produce with their nuclear power plants if they were all built, which they were not.

The key point, the one that stuck in the craw of a lot of people, including El Baradei, though, was that we offered the DPRK two enormous light water reactors themselves capable of producing a prodigious amount of weapons usable plutonium in an initial stage of operations near weapons-grade material, and we spent—

Mr. ACKERMAN. From the light water reactors?

Mr. SOKOLSKI. Yes. This is something which technically has been overlooked over and over and over again.

During the first 18 months of the—

Mr. ACKERMAN. Could you just give us a sense of balance here?

Mr. SOKOLSKI. Yes.

Mr. ACKERMAN. How much easier is it using the heavy water reactor than a light water reactor to produce weapons grade material?

Mr. SOKOLSKI. Kilowatt hour for kilowatt hour, one might be easier. The problem was that these reactors—

Mr. ACKERMAN. Exponentially or arithmetically?

Mr. SOKOLSKI. No, no. Let me complete the thought because we only look at one parameter, and Victor can answer this much better than I, and I hope he will in a moment.

Mr. ACKERMAN. Which one is Victor? Victor. Got it.

Mr. SOKOLSKI. Essentially the size of the reactors in question, one gigawatt, dwarfed the five megawatt machine and, therefore, the quantity of what it was producing is so much larger.

You know, if you had reactors that were the exact same size as one another one might be easier to work with to get at some of the material. This consideration though is pushed aside by the nuclear power plant size and the number of plants that we were offering.

The long and short of it is that within 18 months of the start-up of these plants, you would have had with one of these plants of nearly 50 or more bombs worth of near weapons grade material in those machines.

That is something, in addition to withholding and stalling the IAEA from getting back to routine inspections for over a decade, that just was not correct to do in setting an example for the rest of the world. You do not want to do another deal like that.

Mr. ACKERMAN. Just commenting on that, the funding for the oil, that funding we supplied took place, as my good friend from California points out, starting with the Clinton Administration.

The previous panel testified or neglected to mention or mischaracterized the fact that the current Administration, upon coming into office, doubled the request, doubled the request in their first year that the previous Administration had requested and used in their last year, so this is a problem, if it is a problem, that has existed in both Administrations.

Mr. GILINSKY. Are you speaking specifically about the oil?

Mr. ACKERMAN. Yes, specifically the oil.

Mr. GILINSKY. Well, I guess the funding went up and down depending on how Congress felt about it and the price of oil and so on.

Mr. ACKERMAN. I am talking about the request that was made from the President.

Mr. GILINSKY. That may well be, Mr. Ackerman.

Mr. ACKERMAN. It went from \$50 million to \$100 million for the oil, but I do not mean to be picky.

Mr. GILINSKY. Can I go back to your original question, which is what can we do?

Mr. ACKERMAN. Yes, please. That is the real question, Mr. Gilinsky.

Mr. GILINSKY. Yes. I think in North Korea, and I have followed them for quite a while since the beginning of that deal 10 years ago, they are a very tough, Army based regime. I mean, that is how they describe themselves.

They publicly in their public statements equate giving up the nuclear defense or deterrent as they think of it to suicide, so I do not think we are going to get them to just give it up. I do not think there is anything we can do here for them to offer to give this up.

They will do a deal, but they will not do a deal that involves real verification. That was the sticking point in the original deal that the Clinton Administration came to. When it came time to really talk about inspecting as was required by the original deal, they got very resistive and would not go along with any of it.

I think here the answer really is—

Mr. ACKERMAN. That was on the plutonium, not on the uranium?

Mr. GILINSKY. Yes. Yes. I do not think this is going to be resolved with the current regime.

I think what we need to do is wait them out and hem them in as best we can and use other ways to soften them up and have the

juices of capitalism maybe corrode their spirit, but I do not think there is any sort of magic arrangement that is going to cause them to give up their nuclear threat.

Mr. ROHRABACHER. For a moment I thought you were going to say regime change, but you did not quite get there.

Mr. GILINSKY. Well, I try to use different language.

Mr. ACKERMAN. Well, let us get specific.

Mr. DELAHUNT. What regime are you talking about?

Mr. GILINSKY. North Korea.

Mr. ACKERMAN. He is not talking about Washington.

Mr. GILINSKY. North Korea. If you want any comments on that previous deal, which I think was really not a very good arrangement, the two reactors. You were talking about the numbers.

The two reactors we were giving them could produce more plutonium not only than their little reactor that they had, but than all the reactors that they had under construction.

Mr. ACKERMAN. How would you dissuade them, going back to the question? You said wait them out?

Mr. GILINSKY. Well, we do not have a lot of options here.

Mr. ACKERMAN. We are waiting out Castro. He has outlived 10 U.S. Presidents since that time.

Mr. GILINSKY. Well, I think this is quite a different and much tougher and much more awful regime.

Mr. ACKERMAN. This guy is a lot younger than Castro.

Mr. GILINSKY. It is a very grim place, and I do not think that we are going to hit on any easy way to change their mind about nuclear weapons.

Mr. ACKERMAN. So we just let them continue?

Mr. GILINSKY. I think we have to constrain them as best we can.

Mr. ACKERMAN. I am not sure what that means.

Mr. GILINSKY. Well, for example, Secretary Bolton mentioned trying to cut off their money supply from Japan, trying to keep them from getting resources in all sorts of other ways that would involve illegal enterprises, trying to influence the Chinese as best we can.

I think there are things we can do, but there is nothing that is going to solve this problem in any simple manner.

Mr. ROHRABACHER. That is a very perfect note to end the hearing on.

Mr. ACKERMAN. Maybe Mr. Cirincione has a comment.

Mr. ROHRABACHER. We are going to give you the last word.

Mr. CIRINCIONE. I can do it in 1 minute. I respectfully disagree with Mr. Gilinsky. I think we can do a deal with North Korea. I think we can buy them out for a fraction of what we are spending on some other defense programs.

To find out who is right about this, we have to put it to the test. Let us make a deal that they cannot refuse. Let us offer them a complete package solution and see if they can accept it. If they will not, then we can go to Mr. Gilinsky's solution.

With that, I thank you, gentlemen, for allowing us to testify.

Mr. ROHRABACHER. I thought that is what we did about 10 years ago.

Mr. CIRINCIONE. The agreed framework was a perfectly acceptable short-term solution. It was never intended to be the final word.

I agree with Secretary of State Colin Powell when he came in after being briefed by the Clinton team. He thought we should continue those policies and close the whole package deal. He was overruled by this Administration. As a result, we find ourselves where we are today.

Mr. ROHRBACHER. I want to thank all the witnesses. Thank you very much. I thank Gary and both sides of the aisle. This has been a very interesting hearing. We appreciate you coming up here and adding to our knowledge base.

This hearing is now adjourned.

[Whereupon, at 2:41 p.m. the Committee was adjourned.]

