



## Roundtable With Traveling Press

### Secretary Condoleezza Rice

Beijing, China  
October 20, 2006

**SECRETARY RICE:** Hello. Do you want to start, Glen?

**QUESTION:** What did you learn about State Councilor Tang's visit to Pyongyang?

**SECRETARY RICE:** Well, it was clear that the State Councilor took a message to the North Koreans that was completely consistent. It was in fact very much like the one that the Chinese have been putting out in public that he went out of his way to emphasize that he told the North that Resolution 1718 is a resolution that everybody has to implement and China intends to implement it.



I don't want to go -- you know, I'm not going to talk about the details of their diplomatic engagement. That wouldn't be fair to them, except to say that I think that it was a strong message to North Korea about the seriousness of what had happened. It is also clear that the Chinese are emphasizing the need for six-party talks to begin again and for the North to reengage in those talks. They urged us to be open to returning to those talks without conditions, which for us is not difficult because that's actually our position. The question is, is the North prepared to return without conditions and that's clearly what they were urging on them. But I would say there wasn't anything particularly surprising, but I won't go into the details of precisely what they said.

**QUESTION:** Just a follow-up, I mean, did State Councilor Tang come back with a message from the North Koreans? Are these reports that the North Koreans say, well, we'd be glad to come back if the Americans drop these sanctions --

**SECRETARY RICE:** Well, the North Koreans have been making their points about our financial measures since -- practically since the financial measures began and so, yes, they made that point again but again there's nothing new about that. They've been saying that for some time.

**QUESTION:** Have you learned anything new about what the Chinese are willing to do to implement 1718? There's been reports that they might even cut off oil which (inaudible) in the sanctions, or (inaudible) financial measures and banks and so forth.

**SECRETARY RICE:** Bob Joseph is actually conducting a meeting with the Chinese tonight on 1718. I think the thing to realize about 1718, whether we're talking about the Chinese or the Japanese or for that matter the South Koreans, is that countries are going to fully implement this. Their implementation is going to differ in accordance with their own authorities with the specific problems that they face. For instance with China, there's a very -- China and North Korea -- there's a very long land border, which is different than the case for any other country. I think the Chinese made the point to us that they are scrupulous about that land border and intend to be scrupulous about that land border.

I think that you will see cooperation on cargo, particularly if there's suspicious cargo. But what I've been trying to do here is to encourage everybody to take 1718 with utmost seriousness. But frankly some of the stories that got out there about what 1718 meant were not helpful -- I'm not saying your stories -- but were not helpful because it conjured up in people's mind kind of the Cuban missile crisis with a blockade and no Korean ships being allowed any place, and seizure on the high seas. And that was never the intention of 1718. The intention of 1718 is that there's an obligation which is shared by all member-states to do everything to prevent the trafficking in these materials, and there are many ways to prevent that trafficking.

I think we'll be able to make a lot use, for instance, of some of the Container Security Initiatives that we have had, some detection capabilities that we have and that others have, as well as the kind of thing that we've done from time to time in PSI, which means, for instance, denying overflight, if you think that a shipment might be a suspect shipment or holding a shipment up at port until it can be actually inspected. So there's just a very wide range of things that can be done.

What the Chinese wanted to emphasize was that they are a responsible member-state, that they are going to fully implement 1718, and that they've made that clear to -- not just to us, but also to North Korea.

**QUESTION:** But if we can on some of the specifics, particularly on the banking transactions. There was a story that four major Chinese banks have said they're going to stop having their ties with North Korea. Was that raised in your discussions? Did you talk about that issue at all?

**SECRETARY RICE:** We have other channels where we are dealing with the financial transactions in any case. Much of this stems out of the Banco Delta investigation and a kind of continuing set of findings from those investigations, so I didn't go into that today.

Yeah.

**QUESTION:** Do you think that the North Koreans are serious about returning to the six-party talks or do you think it's just rhetoric? And also would you consider lifting financial restrictions, if you truly believed that they were serious about returning?

**SECRETARY RICE:** Well, the financial measures that are being taken are -- in a -- this is now legal process that has to do with illicit activities, particularly counterfeiting money. And the President has made very clear at every term that the -- he's going to defend the American -- the U.S. currency.

We have offered to the North that if they want to talk about financial measures, they want to have even perhaps a working group to the side of the six-party talks that we're prepared to do that. That's something that I think Chris Hill made a point of almost a year ago, so this is out there. Part of what the North could do is to simply catalogue all of the offers that people have made to them about various ways to get back into dialogue and to take some of those away.

I can't answer to whether they're serious about returning to six-party talks or not. There have been mixed signals coming out of Pyongyang since the test, one the one hand a kind of belligerency, on the other hand continuing to talk about commitment to denuclearization. I don't think that there is any sense that we have to, next week, rush back to six-party talks, but if there's something fruitful to be gained at six-party talks, then by all means we should have them.

**QUESTION:** I recognize that they are your diplomatic option here (inaudible), but how long --

**SECRETARY RICE:** I'm sorry what? The six-party --

**QUESTION:** The six-party talks, that type (inaudible). But -- that type -- but if the North Koreans don't come back and don't give any sign that they're interested in continuing that, how long realistically will that remain an option or certainly the whole idea of it is dead?

**SECRETARY RICE:** Well, I don't think you have to make a determination as to whether or not the framework or the mechanism dead or alive. The mechanism is there. It's been developed. It can be used at any time that the North believes that it wants to come back and when we can achieve something within it.

I think it's already had an enormous effect. Let's be very clear. The response that you're seeing, particularly from China, I think relates directly to the fact that China has been centrally involved in this effort now for three years. This is not an American proposal or an American set of negotiations that broke down but rather when North Korea turned its back on the joint statement, it turned its back on everybody including China. And I think you're seeing China, to borrow a phrase that they seemed to have picked up, as a stakeholder in -- yeah, I'll have to call Bob -- as a stakeholder in now the denuclearization of North Korea. So there's a reason that the Chinese are responding in the way that they are. And it's been a steady building of that Chinese involvement and Chinese stake in the system. So in that sense, the six-party framework, whether or not it produces agreement, is in fact working because the five parties have become the core of an international response to the problem of the North Korean nuclear program.

Let me just go down the line. Yeah.

**QUESTION:** To follow up on this, some view the fact that the Chinese have not been able to get the North Koreans as in a way a failure of Chinese diplomacy because they are, as you say, the conduit. They have the main -- they are the hosts. Do you -- would you agree with such a view?

And also, you talked about the intense Korean (inaudible) and the PSI, but for example in the Japanese case, they don't have any cargo going directly to North Korea now. So the container security initiative wouldn't work in that case and you'd have to PSI-type things.

**SECRETARY RICE:** That's right, but it's different from country to country. That was exactly the point. For some countries there are no -- this is no trade. I think the Russians have made the point that it's, you know, very minimal for them as a land border issue. And so it really is going to vary from country to country. I think nobody, though, wants to be on the wrong side of this resolution, in other words something slipping through because you weren't vigilant about enforcing the resolution. But people are going to enforce it differently because they have different authorities. They also have, more importantly, different specific problems.

As to Chinese diplomacy, the North Koreans have been pursuing this program since at least the 1970s and probably the late 1960s. And there's been frankly a kind of inexorable quality to -- with ups and downs and promises once in a while to denuclearize, an agreement that they then break and then they move on to the next phase. So nobody has been able to resolve the problem. But it is quite remarkable that North Korea now sits under a Chapter 7 resolution with sanctions. This is the first time. Given this entire 30 year history of the North Korean nuclear program, this is the first time that the international system has been able to actually impose a cost on North Korea for its nuclear behavior. And it's able to impose that cost because China has been brought into the process in a way that China never was before.

So when the North violated the 1994 agreement, they violated an agreement with the United States. It really had effectively no consequence. I mean ultimately they lost KEDO -- you know, the energy deal -- and so forth. But this is the first time -- I think, the best the international system has been able to do prior to this is a Presidential statement here or there. A Chapter 7 resolution in which China participates is a very big step.

**QUESTION:** What does that translate into in concrete terms of what the Chinese are going to do? One of your officials traveling with you described a sea change in the Chinese attitude, but what does that mean because in the past the Chinese have handled this with kid gloves. To the extent they cut things off like fuel and (inaudible) -- you know, have you heard anything in your meetings that --

**SECRETARY RICE:** I would encourage you to let's just watch and see what the Chinese do. The Chinese have undertaken an obligation. I'm quite sure they didn't undertake a Chapter 7 resolution lightly. Given their relationship with North Korea, the act of undertaking a Chapter 7 resolution has cost that relationship. So why bear the costs of undertaking a Chapter 7 resolution if you don't intend to act on it? And so from the North Korean point of view, the increasing difficulty in terms of the financial system because people are concerned about the financing of weapons of mass destruction programs, nuclear programs, the potential for certain kinds of trade to be cut off, everybody -- well, people don't -- you shouldn't dismiss the luxury goods items because there is a character to this regime where at the same time that the North Korean people are constantly near starvation, luxury goods to the elite and to the nomenclature have been a big part of the bargain for North Korea.

So I would just urge that we -- I will just watch this implementation for a while, watch the North's reaction to it, watch the impact on the North. I will tell you that the reaction to Banco Delta has been quite extraordinary, and it must mean that it's having an effect.

**QUESTION:** If I could just follow up because I understand that that did have an enormous impact, in fact, beyond even what the U.S. officials thought, plus in half the time. So I'm just curious whether you apparently didn't discuss the issue of these Chinese banks and what they were doing in your meetings.

**SECRETARY RICE:** I -- well, look, I said these things are being dealt with in other channels because these relate also to the Banco Delta issues.

**QUESTION:** On the -- sort of related to Michael's -- sorry.

**SECRETARY RICE:** Oh, I meant -- that's all right. You, then you.

**QUESTION:** Sort of related to Michael's question just from a slightly separate angle, there was some talk I think particularly in *The New York Times* that the Chinese might somehow curtail the fuel supplies, and that's their big plan of leverage on that North Korean Government, much more leverage than these sanctions and things. Did you get any sense that they would be willing to consider restricting or curtailing their energy supplies and get any sense of how interested they might be doing that over the long term?

**SECRETARY RICE:** The Chinese, I think, over the implementation of 1718 and in reaction to what the north does, has done and will do -- will consider a whole host of measures. They're clearly reviewing a lot of different possibilities. And this is an early trip. People are reviewing where they are. They are determining what they're going to do. They're watching the reaction of the north. And so the one thing I did not come out to do was to bring my own list of what every country in the world should do to respond to the North Korean nuclear test, because I do believe that you're getting a firm response. And if there isn't some movement, you make get firmer responses as time goes on, but I think this is going to evolve. Not everything will happen at once.

Yes.

**QUESTION:** I know you spoke that the Chinese were going to scrupulous along the border and will continue to be scrupulous. What does that mean for you exactly, scrupulous? Does that mean that they're inspecting cargo -- that they're opening up trucks, they're really looking at what's crossing that border?

**SECRETARY RICE:** I assume that they'll do some of all of the above. But I -- the Chinese make the point that they have been dealing with that border for a long time, that they have very strong interest in not having contraband of any kind, particularly of this kind, cross that border. And so I -- we're going to have some discussions with them, as we had with the Japanese and the South Koreans, about what cooperative measures there might be. But when it comes to managing a land border with North Koreans, I think the Chinese are lot more experienced than we are. And so I --

**QUESTION:** Could I just ask if you've discussed the refugee issue at all and the potential that many, many more North Koreans would leave and come to China and

possibly want to be resettled elsewhere?

**SECRETARY RICE:** What is very clear is that the Chinese have concerns about the -- about instability in North Korea. And you know, that doesn't come as any surprise, but we didn't spend a good deal of time on the refugee issue.

**QUESTION:** Do they assume that if the status quo is preserved, that they will not have any problems with refugees? It's sort of a --

**SECRETARY RICE:** I don't think that they are making a lot of assumptions about the status quo. No, I think that they're -- I do think there is some thinking going on about the course of development on the Korean Peninsula. But our discussions today were more principally about what we can expect going forward, what one might expect in terms of diplomacy going forward and then 1718.

**QUESTION:** It reminds me of your now famous line in the Middle East that in 60 years we'd have this prophecy of illusionary security. So they basically think well, just because we're afraid of refugees and other problems, we have to (inaudible) the North Koreans, which doesn't seem like (inaudible)

**SECRETARY RICE:** Well, I think there's more to it than that. I mean, this has been a long-standing relationship, fraternal relationship -- to borrow a term -- for a long time. And that's why in many ways the Chapter 7 resolution was pretty remarkable in its own right.

**QUESTION:** This seat change that (inaudible) that others have mentioned and the Chinese did, is it applicable elsewhere in your mind? I guess, China is calling itself a stakeholder. (inaudible) be a responsible stakeholder. Do you see that happening elsewhere in the (inaudible)? You talk a lot about how they've really come to the table on this issue. But Iran is out there -- Obviously in Darfur. They have in Baghdad been helpful. I mean, is China really changing its international personality in a significant way? Are they becoming more of an ally, more of a real partner on these things?

**SECRETARY RICE:** Now it's a little bit difficult to see it from inside. I mean, this is the sort of thing that I suspect you'd step back in a year or two years or whatever and you see a different pattern than you can see if you take a series of individual events. I can certainly see some data points where that is the case. I think that on Darfur, for instance, we did have a pretty extensive discussion of Darfur. The African leaders are coming here for a summit in a few days. We talked about how China might use that opportunity to press on the UN peacekeeping issue.

I've made some of the -- some representations to Li Zhaoxing that we had -- I made to some of the Arabs about the mandate of peacekeeping forces, from our point of view the fact that it would most likely be made up principally of forces from North Africa, Southeast Asia. So we were talking about it in a very concrete way, so that he could engage the Africans and if in fact they come, the Sudanese, about this issue. And these rather more concrete discussions about how to deal with an issue are to me of a different character than even a couple of years ago. And I think that on -- it's most pronounced on North Korea. It's increasingly pronounced on Darfur. It was pretty pronounced on issues concerning the UN, the Secretary Generalship, the -- you know, the reform issues. So there are data points that suggest that that is happening, but I suspect it'll be when you can step back and look because it doesn't happen all at one fell swoop.

**QUESTION:** (Inaudible) I mean we're aware of the (inaudible)?

**SECRETARY RICE:** A -- strategic problem-solving and putting Chinese influence and effort behind certain policy goals. I think what Bob was really describing was, you know, a tendency prior -- in many years prior, unless we were talking about issues of trade essentially -- to comment and to have a view, but not particularly to want to work on the problem. And whenever you talk to the Chinese now, they begin by talking about the fact that the U.S.-China relationship can be put to work on solving problems. And that is a somewhat different perspective. Let me make sure everybody who --

Yeah.

**QUESTION:** You had mentioned about to each party to use its own mechanisms available (inaudible.) How long are you waiting for that process to be in place? I know it varies for each party? Weeks? (Inaudible)? How long (inaudible)?

**SECRETARY RICE:** Oh, I think it's going to start to happen to immediately, and it will continue to happen. No, it's not how long I wait. These are obligations under the Security Council resolution. And let's remember that there's a reason that countries signed on to this resolution and to these particular measures under 1718, and it wasn't to please the United States. It was because there are deep concerns about the proliferation potential from an active North Korean nuclear program. And that's not -- it's not in anybody's interest to start seeing pieces of equipment or technology or, even worse, a weapon itself one day transferred. That just isn't in anybody's interest. And so it's not as if these countries don't want to implement 1718. As I said, there is a parallel concern about escalating tensions on the Korean Peninsula or escalating tensions in Asia more broadly. I think mostly accounted for by the early misinterpretation of what might be meant by inspection and interdiction. But it's not as if people don't want to make sure that contraband isn't crossing their borders.

**QUESTION:** You said several times you didn't come to the region to dictate to these governments what to do. That's a message that's certainly is welcomed. But I just wanted to be sure because you also said that each country should look at what leverage it can bring to the problem. American leadership is important, and the UN and America led to get the resolution.

**SECRETARY RICE:** Right.

**QUESTION:** I just want to be sure that you didn't privately perhaps suggest a list of things that a country should do. And if not, how would you describe what your mission is, to listen, as a catalyst, to inspire, what? Why are you here?

**SECRETARY RICE:** We had -- well, I thought it was probably a good idea, given the North Koreans just tested a nuclear weapon. No, there were really three very important reasons for coming. The first is, and I think you saw it most especially in Japan, the United States has defense obligations and commitments in this part of the world that on the heels of a North Korean nuclear test needed to be affirmed and affirmed in person quickly in public on their news shows to their prime ministers and by a high ranking U.S. official. So when the North Koreans set off a nuclear test, the region, not without some reason, becomes very -- there's a certain anxiety in the region. And so I thought it was extremely important. As I said, you saw it probably most dramatically in Japan where it had set off a lot of questions that the Japanese were asking themselves about their own security posture, and what America meant to that security posture was extremely important I think in how Japan deals with those questions. That was also the reason for the trilateral last night because there are -- obviously there have been tensions between South Korea and Japan, but they are two democratic allies in this region. They are the two states with which we have defense relationships and we had a very good conversation last night about the region and security and reinforcing our defense relationships bilaterally. But obviously there's a kind of triangular character to that. So that was first and foremost.

Secondly, we have a new resolution in 1718 and I did think that it was important that people be able to clear their heads of the Cuban missile crisis vision of, you know, a quarantine and to begin to have discussions about what practical steps we could take individually and cooperatively to fulfill the terms of 1718. So a lot of discussions have also gone on at the working level.

Bob Joseph has been sitting with their proliferation and arms control people and having more detailed discussions about sensors, about detection equipment, about intelligence sharing, about how the PSI works. We could be -- probably will be -- in this regime for a long time. And so it is probably -- it's quite important what happens on day one, but that this evolves into an effective way to monitor and scrutinize and deal with North Korean transfers, potential transfers is really important. So in a sense, think of it as building a set of arrangements, a set of common mechanisms, drawing on each other's experience. That is something that I think will evolve over a period of time. So I wanted to get that launched.

But it's -- you aren't going to have very fruitful conversations, frankly, if you come in and say: Let me tell you, China, how to secure your land border with North Korea. What do we know about securing the land border with North Korea? Not very much. But can we have a discussion with the Chinese about what they have been doing, what that means and what additional means cooperatively. We might even have helped on land borders. That's a really good discussion to have. So that was the second set of -- the second reason.

The third was to give people a sense that the North Koreans, having tested, have changed the strategic environment here, but that we are still committed to a diplomatic path and that that path is first and foremost the six-party talks and to begin to talk about what that path might be back to those talks if the north is prepared to come unconditionally, and what we might have to achieve. But I don't think anybody believes that six or seven six-party talk sessions in which we again get into an argument about the sequencing of a light-water reactor is going to be very helpful to anyone. And so discussions about, again about what it is we're trying to really achieve in the six-party talks with the other five will be very helpful.

Finally, there is an emerging conversation in this region about security. It is not all related to the North Korean nuclear test. The visit of Prime Minister Abe to China and South Korea, kind of ironically on the time that the North Koreans choose to test --

**QUESTION:** Or coincidental.

**SECRETARY RICE:** Coincidental or not -- or not. The fact that we can all talk about proliferation issues with one another, defense issues with one another, eventually I think more articulated versions of all of those is something that this region has really lacked, you know. There are highly developed security arrangements all throughout Europe, as a matter of fact, some people think too many. I mean, they are overlapping. And when I go to a general -- to the UN General Assembly, the United Nations General Assembly, I must have five different meetings with the same Europeans to talk about the same issues because there are so many organizations.

I don't think this region is probably going to develop an organizational structure anything like what you have in Europe. But that you've had no way to even have conversations about common security threats is a problem for the region, and it gets exposed when you have something like this. It was early -- I think, as a matter of fact, the next morning that we had a five-party foreign ministers phone call after the North Korean nuclear test. Those mechanisms I think are going to need to come into being and begin to give the region a way to have this conversation. So, this a first chance to do some of that. So those were the reasons for coming --

**QUESTION:** Excuse me, Secretary Rice --

**SECRETARY RICE:** Yes.

**QUESTION:** I was struck by something you just said: We can be, probably will be, in this regime for a long time, meaning these sanctions. It sounds like -- it's similar to many outside experts, you're not very optimistic that North Korea will in the near future will respond to this pressure.

**SECRETARY RICE:** Well, I think they will respond. I don't know how quickly they will respond, and I don't know how quickly they will make a strategic choice to denuclearize. And then if they make a strategic choice, I don't know how long that -- that a reliable and verifiable denuclearization is going to take. But given the North's behavior it bears watching for a while. And the -- I'm not trying to define for you long time, but the fact that we now have in place a proliferation regime, or an anti-proliferation regime, is a very good thing. And I think until there is -- (inaudible) the resolution-- until there is progress on denuclearization, this regime stays in place. And so I think we'll be at this for a while. I can't tell you how long.

**QUESTION:** Madame Secretary --

**QUESTION:** Can you envision going to Pyongyang anytime in your tenure?

**SECRETARY RICE:** Don't pack your bags. (Laughter.)

**QUESTION:** Can I just have one quick --

**SECRETARY RICE:** Yeah.

**QUESTION:** Did the Chinese indicate whether the North Koreans or Kim express any regret about doing the test?

**SECRETARY RICE:** I didn't hear anything like that, no.

**QUESTION:** Do you regret that you didn't pick up, as Colin Powell said, where the Clinton Administration left off in talking to the North Koreans way back in 2001, at a point where it might have been possible to keep from unfreezing Pyongyang and going forward with this whole program?

**SECRETARY RICE:** I continue to believe, Barbara, that a North Korea violating the 1994 agreement as they did by taking another path is what killed the framework agreement.

**QUESTION:** Not the U.S. and its hesitation --

**SECRETARY RICE:** No. Well, what were you going to do? Continue to pretend that the framework agreement had not been violated, that the HEU path had not been developed? Let's remember, by the way, that there were still tests, missile tests, in the middle of the framework agreement.

And I'll make just one more point, coming back to the point that I made about China, whatever we gave up in bilateral talks with the North Koreans and bilateral agreements with the North Koreans has more than been made up for the fact that China is now committed to the denuclearization of the Korean Peninsula. And that you would not have gotten by just continuing bilateral talks with the North. I don't care how many times you visited Pyongyang.

China had to be a part of this regime to deal with the North Korean nuclear problem, and you're seeing it. Thirty years you haven't been able to get a Security Council resolution on North Korea and when you get one it's Chapter 7, it's 15-0 and China's at the center of it; not a bad couple of years' work.

Thanks.

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