

A Peaceful Resolution of the North Korean Nuclear Issue

James A. Kelly, Assistant Secretary of State for East Asian and Pacific Affairs Remarks to House International Relations Committee Washington, DC February 13, 2003

Mr. Chairman and Members of the Committee, thank you for inviting me to discuss the Administration's approach toward achieving a peaceful resolution of the North Korean nuclear issue.

I appreciate this opportunity to continue our ongoing discussion of this important topic. Much has happened since I last came before you, with Under Secretary Grossman in closed session on January 8. We value your advice and appreciate the Committee's deep interest.

I'll outline the nature of the threat posed by North Korea's nuclear weapons programs, Administration policy with respect to the D.P.R.K., and how we are working to achieve our non-proliferation objectives.

The Threat of North Korea's Nuclear Weapons Programs

North Korea's nuclear program and ambitions are a long-standing problem, certainly for over 20 years. The US has been concerned about North Korea's desire for nuclear weapons and has assessed since the early 1990s that the North has one or possibly two weapons using plutonium it produced prior to 1992.

North Korea has moved rapidly in recent weeks to unfreeze key elements of its graphite-moderated plutonium production program, which had been frozen under the 1994 Agreed Framework agreement between the U.S. and North Korea.

The D.P.R.K. has removed the monitoring equipment the IAEA installed at its Yongbyon nuclear complex; expelled the IAEA inspectors resident there; announced it would resume operations at such facilities as its 5 megawatt reactor and at its spent fuel reprocessing plant; and on January 10, announced its withdrawal from the Nuclear Non-Proliferation Treaty. On 21 January, the Vice Minister of Power and Coal Industries announced Yongbyon would be able to generate electricity within a few weeks and that preparations were being stepped up. North Korea claims, we believe disingenuously, that "its nuclear activity would be limited to peaceful purposes...at the present stage."

If North Korea reprocessed the roughly 8,000 spent fuel rods it had stored under IAEA supervision under the Agreed Framework, it could recover enough plutonium to produce several additional nuclear weapons.

That would present a most serious proliferation concern. The DPRK has a demonstrated record of selling missiles and missile technology to such countries as Iran, Pakistan and Yemen. Missiles and conventional arms are an important source of hard currency earnings, and the North could try to sell fissile material, when it has more of it, to non-state actors or roque states.

The North's plutonium program is not the only concern. For several years, North Korea has also been pursuing a parallel path to nuclear weapons through the production of highly enriched uranium. This program violates the Agreed Framework, the Nonproliferation Treaty, its IAEA safeguards agreement, and the Joint North-South Declaration on the Denuclearization of the Korean Peninsula.

North Korea's uranium enrichment efforts continue to progress, and we recognize that any North Korean nuclear weapon (whether made from enriched uranium or plutonium) represents a grave security threat. Last summer we concluded that Pyongyang had moved from R&D to construction of a plant that could produce enough weapons-grade uranium for two or more nuclear weapons per year when fully operational--which could be as soon as mid-decade.

Administration Policy With Respect to North Korea

President Bush stated during his visit to South Korea last year that the United States has no intention of invading North Korea. However, the President has also made clear that all options remain on the table for addressing this situation.

Meanwhile, the United States continues to be concerned about the innocent people of North Korea, and doing what we can to help them. The U.S. is the world's largest donor of food assistance to the D.P.R.K. Since 1995, we have provided 1.9 million metric tons of food, valued at \$620 million. For the 2002 World Food Program (WFP) operation in North Korea, the United States contributed 207,000 metric tons of food, valued at \$82.4 million, over half of what the WFP actually received last year. With better crop production in 2002-2003, the WFP has reduced its appeal for North Korea. The U.S. will be a significant donor again this year although the amount that we will provide has not yet been determined.

President Bush has stressed we will continue to provide humanitarian assistance to the people of North Korea, and that we will not use food as a source of political leverage. North Korea does impose uniquely onerous restrictions on distribution, which prevent us from having full confidence that the food we provide is going to the people who actually need it. And we must balance out the needs of the over 80 other countries to which we are providing food aid. We will factor these considerations in to decide exactly how much aid to give North Korea this year.

We want North Korea to understand that the United States stands ready to build a different kind of relationship with it, once Pyongyang eliminates its nuclear weapons program in a verifiable and irreversible manner, and comes into verifiable compliance with its international commitments.

In fact, in consultation with South Korea and Japan, the United States was ready last summer to pursue a bold approach with Pyongyang. That approach would have entailed political and economic steps to improve the lives of the North Korean people and to move our relationship with the North toward normalcy, if North Korea also addressed issues of concern to us.

What derailed it was the discovery that the North had for several years been pursuing a covert uranium enrichment program for nuclear weapons, in egregious violation of its international obligations. North Korea appears to be considering taking further provocative, escalatory actions. If the North reverses course, and gives up its nuclear weapons program in an open, verifiable way, we may again consider a bold approach.

Achieving our Non-Proliferation Objectives

We have made clear exactly what North Korea must do to address concerns over its development of nuclear weapons: verifiably and irreversibly dismantle its nuclear weapons program and come into compliance with its international obligations.

Despite Pyongyang's rhetoric, North Korea's nuclear program is not just a matter between the DPRK and the United States. Pyongyang's behavior affects international security and the global nonproliferation regime. Many other countries, our friends and allies, have important equities in the resolution of the North's nuclear threat.

That is why the 35 member nations of the Board of Governors of the International Atomic Energy Agency last month unanimously deplored DPRK moves to unfreeze its plutonium program. In that resolution, the IAEA Board called on the DPRK to comply on an urgent basis with its safeguards obligations and to cooperate with the Agency to re-establish surveillance at the Yongbyon nuclear complex.

The agency further announced that it is at present unable "to exercise its responsibilities under the safeguards agreement, namely, to verify that the DPRK is not diverting nuclear material to nuclear weapons or other nuclear explosive devices...."

North Korea subsequently further escalated the situation by rejecting the IAEA resolution, announcing its intention to withdraw from the Nuclear Non-Proliferation Treaty, and suggesting that it may resume flight testing of long-range missiles. Should North Korea take such steps and advance its nuclear capabilities further, it will only isolate itself and force the international community to consider a strong response.

Yesterday, the IAEA Board of Governors found the D.P.R.K. to be in further noncompliance with its safeguards agreement and reported this finding to the UN Security Council by a vote of 31 in favor, with 2 abstentions. We look forward to taking this matter up at the UN Security Council in the coming days.

To achieve our non-proliferation objectives on the Korean Peninsula, we are working closely with South Korea, Japan, Russia, China, the EU, Australia, and other friends and allies to make the North understand the consequences of its dangerous and provocative actions.

We have proposed multilateral talks to North Korea and remain prepared to engage in those talks. Secretary Powell is leading this diplomatic approach, and is daily engaged with officials of the R.O.K., Japan, Australia, China, Russia, and many other governments who, without exception, share our objective that the Korean Peninsula remains free of nuclear weapons.

Consultations With South Korea have been especially close. We are looking forward to a very close and effective working relationship with President-elect Roh and we will continue to deepen and strengthen our alliance with the R.O.K.

The President called President-elect Roh Moo-hyun on December 20 to congratulate him on his victory. They agreed to meet in Washington some time after Mr. Roh is inaugurated on February 25, and intensify consultations in the interim by exchanging envoys. Accordingly, I traveled to Seoul in January as the President's envoy, and President-elect Roh sent National Assemblyman Chyung Dae-chul to Washington February 4-5 to meet with senior administration officials. President-elect Roh has stated emphatically that North Korea's nuclear weapons program and recent actions at Yongbyon are unacceptable.

China and Russia share our goal of a non-nuclear Korean peninsula. They have called on North Korea to observe its international obligations fully and to remain in the NPT.

We are also consulting with our KEDO partners -- South Korea, Japan and the EU -- about KEDO's future, including the fate of the light water reactor project. In the meantime, the Administration has asked Congress to appropriate \$3.5 million in FY03 to fund the U.S. contribution to KEDO's administrative account, should we decide it is in our national interest to do so. No part of that funding would go to heavy fuel oil shipments, which the KEDO Executive Board suspended in November, or to light water reactor construction. But the ability to make our contribution to the administrative account will give us flexibility in working with our KEDO allies to achieve our shared non-proliferation goals. Given the fluidity and seriousness of the current situation, this flexibility is important.

North Korea in the past has said it wanted to transform its relations with its former enemies. The President is holding out an unmistakable opportunity to do so. But, the North will need to eliminate its nuclear weapons program and to change its behavior on other important matters such as human rights, address the issues underlying its appearance on the State Department list of states sponsoring terrorism, its weapons of mass destruction programs, the proliferation of missiles and missile-related technology, and its conventional force disposition in order to realize that opportunity. Channels of communication remain open.

For its part, the North must be willing to act in a manner that builds trust. While we will not dole out "rewards" to convince North Korea to live up to its existing obligations, we remain prepared to pursue a comprehensive dialogue about a fundamentally different relationship with that country, once it eliminates its nuclear weapons program in a verifiable and irreversible manner and comes into compliance with its international obligations.

Thank you for this opportunity to discuss this important issue with you today. We will continue to work closely with the Congress as we seek a diplomatic solution with respect to North Korea.

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