

## **Evening Walkthrough on Six-Party Talks**

Christopher Hill, Assistant Secretary for East Asian and Pacific Affairs St. Regis Hotel Beijing, China December 22, 2006

ASSISTANT SECRETARY HILL: Merry Christmas, everyone. As you know, we put the talks in to a Christmas recess, with the idea that we will go back to the capitals and get some additional instructions, and try to get going at the earliest opportunity. The U.S. delegation spent a lot of time preparing for this round and so we were, to be sure, disappointed that we were not able to reach an agreement on some of the elements that we put forward for implementing the September statement. In the middle of the week there were some encouraging signs as we had a number of informal discussions, and it was our hope that these informal discussions could turn into more formal negotiations and we could reach an agreement. Alas, by the end of the week, it was clear the DPRK negotiating team did not have the instructions that they needed to go forward, and to agree to the proposals that we had put forward.

I plan to go back to Washington tomorrow. Early in the week, we will reconvene in Washington to look at where we are. It's my very strong hope that the DPRK will do the same thing in Pyongyang, and it's my strong hope that when we get back to negotiations they will be prepared to agree to move on to implementing the September statement. There was no question on the reaffirmation of the September statement. All six parties, including the DPRK, were very much supportive of the overall plan. That is, first of all to support this statement, and secondly to get it implemented. But obviously we can't get it implemented without agreement on how to implement it, so we hope that they will come back and be prepared to do that.

Let me also mention, because I think it was very important, the role of Chinese, first of all as hosts, but also as full members in the six party process. While I feel my delegation prepared very well, I must give similar credit to the Chinese delegation. I think they've done a very, very good job under the extremely capable, experienced hand of Vice Minister Wu Dawei. I think the Chinese diplomats truly showed extraordinary knowledge of the situation and a concept of how to proceed. I've said before that the six party process has been an opportunity for the United States and China to work more closely together, and I think one of the real benefits of this week was the fact that the United States and China are doing precisely that.

So with those comments, we can go to some questions.

QUESTION: Ambassador Hill, as you said, there were some expectations coming into this round and that before you came, in Washington, you had indication that we could move this forward. Publicly, the North Koreans were saying before this all started that sanctions have to be lifted before anything can be done. Where was the miscalculation? You thought you had indications but when you came here nothing was possible.

ASSISTANT SECRETARY HILL: I must say we had indications when we talked to the DPRK at the end of November. The Chinese had similar indications. There are some particular elements -- and again, I am sorry to be coy, but I don't want to talk about what precisely those are -- that would be very important to us as a strong signal that the September agreement is being implemented, and there are some encouraging signs on that, and there continue to be some encouraging signs on that. But at the end of the week, it was clear that DPRK did not have the authority to proceed with a formal negotiation on the September agreement, and therefore, we were not able to get where we wanted to be. But certainly in terms of some of the ideas we share, there were and continue to be some encouraging signs, and that's why we decided just to declare a recess rather than to declare the round over, and that's why we also suggested that participants need to go back to capitals for additional instructions.

QUESTION: How are you going to make sure that this doesn't stretch into another thirteen-month break? I mean this could...

ASSISTANT SECRETARY HILL: I can tell you we are worried about, but we can't go another thirteen months. We can't go another thirteen months. We cannot sustain political support for this process. We do need to make tangible progress. The September statement, when I say September statement, it's the statement from fifteen, sixteen months ago. We have to make progress. It's consistently been our very strong view that we should have made that progress this week, that we had keyed it up, worked very hard. We had a couple of Under Secretaries of State come out here to Beijing. We had the Secretary of State out here in October. I've been out five times. We really felt that we could make progress, but ultimately, the DPRK negotiators spent great deal of time being concerned about what is, relatively speaking, a small affair. That is the Macao Banco Delta Asia affair. Relatively speaking, in our view, that's pretty small compared to the task of ridding the Korean Peninsula of these nuclear weapons programs.

QUESTION: What are you going to do by the next round? Do you have any sense?

ASSISTANT SECRETARY HILL: I'm going back to Washington. I've talked to Secretary Rice, but we are going to have additional discussions. We need to see what the DPRK is prepared to do because if we are going to make progress on this, we need six delegations willing to engage, not just five. Then we will see if we can come back, whether there is an opportunity to come back. Again, I've said it so many times, but it's absolutely true: we were not just trying to string out a process and we are certainly not interested in another thirteen-month gap. That was damaging to our process. To some extent, this week was a reacquainting session. We had to once again sort of go through issues on which, had we been able to move right after September, I think we could have made more rapid progress. We lost a lot of momentum. There was a point to be made that just meeting was a good thing and reaffirming the September statement was a positive thing, but in our view it's not enough, because it was our very strong view that we wanted to move off of the pages of that agreement and onto the ground. e had some very good ideas for that, we continue to have some good ideas and we'll see if we can get back very soon.

QUESTION: When you go back to Washington, I imagine you're going to face questions about the credibility of this whole process, what are you going to say to those doubts?

ASSISTANT SECRETARY HILL: Probably about the same thing I've just said here, try to stick to one story. Diplomacy is not an easy track. It takes more time then we all would like, but like a lot of things in life, you've got to look at the alternatives, and we still believe that diplomacy is the best way to solve this and we believe in particular that the six party process is the best way to solve this. Diplomacy is hard enough but when you go to multilateral diplomacy it's even harder. Not to sound like one of my Chinese colleagues, but you do have to be patient. The real question is, as I said earlier, we can't go another thirteen months, we can't go anywhere near another thirteen months, we have to do a lot better than that. We'll have to see. There were some interesting discussions this week. There was the fact that all sides reaffirmed the interest in the September statement. There's enough there to keep us going for thirteen months without any implementation, but certainly enough to keep us going beyond this week, so we'll see.

QUESTION: North Korea still says no progress in the Banco Delta Asia means no progress in nuclear talks. How could you get over it at the next round of talks, if any?

ASSISTANT SECRETARY HILL: We have asked them to go back and talk to their capital and figure out what is important to them. There are a number of proposals that should be very important to them and there are number of ways to deal with the financial issue, for starters through the mechanism that we created, the meeting for which took place here in Beijing, so we have to see.

QUESTION: So Mr. Hill, if not for another thirteen months, when do you envision coming back be with us here at this wonderful hotel?

ASSISTANT SECRETARY HILL: Oh, I can't wait. I don't know. I think we're talking weeks, not months.

QUESTION: In January?

ASSISTANT SECRETARY HILL: Again, I don't want to predict it. Again, there were some interesting discussions this week, there really were. We want to capitalize on that to the extent we have any momentum there, to see what we can do to move forward. Of course, we're disappointed that we weren't able to get this done, but as I said, we were able to meet, we were able to reaffirm the September document and I am a strong believer in that September document because it's got everything there that we need to solve this problem. So let's see what we can do. It won't be for thirteen more months, that much I can promise you. At least I won't be around here for thirteen more months.

QUESTION: Mr. Ambassador, Vice Foreign Minister Kim [inaudible] told us that North Korea proposed that initially they keep the weapons and not the nuclear program, what do you think about that?

ASSISTANT SECRETARY HILL: No, it's not quite right. What he's talking about is the sequence by which they honor their full commitment. They have a commitment to full denuclearization of weapons and nuclear programs, all existing nuclear programs. The question, or the issue, that you're alluding to is what's the sequence, which programs do they get rid of first. I think what he was trying to say is they don't get rid of their so-called weapons first. I think that's what was going on there.

QUESTION: What do you think about the proposal, I mean that sequencing?

ASSISTANT SECRETARY HILL: Again, we have some approaches. You're kind of getting into the negotiations so I'm not sure I want to get into that, but we have some ideas for how to proceed.

QUESTION: Is there any possibility that you are going to meet with North Korea before the next session of Six-Party Talks?

ASSISTANT SECRETARY HILL: We haven't made any decision on that. As long as they're participating in the talks and not boycotting the talks, we don't have a problem meeting them. As I've said many times before, we would have a problem meeting them if it's a way for them to avoid the Six-Party Talks. Frankly, the North Koreans were much more interested in meeting us in the Six-Party Talks then they were outside the Six-Party Talks. Whether we meet them in the run up, we'll have to see. It really depends on what we're trying to accomplish.

QUESTION: Mr. Hill, after feeling the good intentions and ending up where we are now, when you have a situation like this, would it make it more difficult or would it make you more cautious, the four other parties other than North Korea, and would it make them more cautious when you try to set up another round, when you try to resume this discussion?

ASSISTANT SECRETARY HILL: Your point being that, we had understood we could make progress and we got there and by the end of the week it was clear they would not engage on the actual denuclearization issue. I don't know. Clearly, when you come to a negotiation you ought to be prepared to negotiate, because if you're not going to negotiate it's sort of unclear why you're coming.

QUESTION: Do you feel that this will make the Japanese [inaudible], this will make them more hesitant to continue the Six-Party Talks or make them more cautious whether or not they'll pick up where they left off?

ASSISTANT SECRETARY HILL: All of them had their own contacts with the DPRK delegation so I think they all had their own reasons to believe that it was worth coming to. Certainly, when people come to a negotiation, their negotiators have to be able to negotiate. Otherwise I'm not sure what the purpose is.

QUESTION: Would another test kill the talks?

ASSISTANT SECRETARY HILL: That goes without saying, to explode a nuclear weapon is obviously going to do rather severe damage to the diplomatic process. I would argue it would severe damage to the DPRK as well.

**QUESTION:** Ambassador Hill, listening to you and listen to Kim Gye Gwan, you're still 180 degrees apart and its hard to see that there's any tangible progress here whatsoever. What gives you any hope that within the coming months you can reach a [inaudible].

ASSISTANT SECRETARY HILL: We did have some discussions earlier in the week. Obviously they were not the formal negotiations we needed in order to reach an agreement. We found there was some common ground on some of these issues. There's certainly some interest. The question is, can we turn that interest into a negotiation leading to an agreement? And the answer this week was no, it couldn't be done. I'm not sure I would agree with you that there was a 180-degree difference. For example, the DPRK did reaffirm on numerous occasions this week their commitment to the implementation of their part of the September agreement. That is a fact that they stated over and over. Obviously the September agreement doesn't mean anything unless you get it implemented and to implement it you have to have an agreement on how to implement it. As I said earlier, these things take time and they're a big step, in many respects implementation, while sounding more technical, is actually a bigger step then identifying the principles. Again, we'll have to see, but I'm not sure that I would agree with you that it's 180 degrees different.

QUESTION: Did you have a bilateral with the North Koreans today?

ASSISTANT SECRETARY HILL: We met them a couple of times. We did not have a formal bilateral with them. We spent a lot of time in bilaterals with the Chinese and then we had, in the afternoon, a lengthy meeting of the heads of delegations of the six parties. I don't think we had a bilateral today. The real problem we found was that the DPRK did not want to formally engage on any kind of negotiation process, and that's why you would have formal bilaterals. So we've had fewer of them than we've had in previous sessions, because they were not prepared to engage on the actual agreement.

QUESTION: Is it safe to assume that the next round of Six-Party Talks will have to wait until the financial talks in January are over?

ASSISTANT SECRETARY HILL: We'll have to see. We understand that the financial talks and the Six-Party Talks -- there's a relationship there, between the two sets of talks, but we have some differences on how linked they really should be. Clearly, we'll have to look at the timing of all this.

**QUESTION:** Did you come to these talks with a clear understanding that the BDA issue was going to be excluded from the Six-Party Talks and that Kim Gye Gwan was going to come here with the authority to negotiate?

ASSISTANT SECRETARY HILL: Certainly we expected him to have the authority to negotiate in the Six-Party Talks. We also had the expectation that BDA would be addressed in this separate mechanism that the Treasury Department on our side was handling. The DPRK had made the point that they wanted the financial issue to be discussed and resolved, but there was never an agreement or an understanding that that would have to be done; that is, they would have to be resolved in the first round of the renewed Six Party Talks. So it was a surprise to us that they refused to engage on the six party issue because of the fact that the financial questions were not yet resolved. That was never an understanding. In fact, we made clear that the whole issue of resolving the financial question -- while we wanted to resolve it -- the resolution of it, to some extent, depends on the result of the discussions. What does the DPRK say about these accounts and the sort of things that were going on at this Banco

Delta Asia?

QUESTION: You used the word expectation. That's a little different from "clear understanding." Was there an explicit understanding?

ASSISTANT SECRETARY HILL: "Clear understanding" may work in your line of work, but it rarely comes up in mine. Certainly we had an expectation -- OK, I'll say an understanding -- but how clear it was, things are always a little more opaque than one would like.

QUESTION: The South Korean president was somewhat critical yesterday in his speech about the sanctions. He also indicated that maybe the pressure in the State Department following different policies toward North Korea. What's your comment?

ASSISTANT SECRETARY HILL: My understanding is he had a 70 or 90 minute rather freestyle speech in front of the National Assembly in which he touched on many, many issues, including the U.S. interagency process during the summer of 2005. I'm not really sure what he had in mind there. Sorry. He covered an awful lot of ground in that 90 minute speech.

QUESTION: The North Koreans have made this financial issue such a requirement for them. How is possible for the U.S. to operate on something, to save face, step back, move forward, [inaudible]?

ASSISTANT SECRETARY HILL: We put together a pretty serious team there. That was a Deputy Assistant Secretary from the relevant department, the Treasury Department. We had at least four other experts there. It was a classic bilateral exercise in that they rotated from the U.S. Embassy to the DPRK Embassy. They had a considerable amount of give and take on data. They had a lot of discussions about things, but it was never our sense that this thing could be raised and resolved in two days, which were corresponding to the first week of the Six-Party Talks. We'll have to see. They are planning to meet again in January and let's see what we can do there.

QUESTION: Ambassador, how do you react to the North Korean statement today?

ASSISTANT SECRETARY HILL: Which one?

QUESTION: After the six party plenary.

ASSISTANT SECRETARY HILL: I'm not sure. I didn't see it, so I can't react to it. Maybe that's good, huh?

QUESTION: Ambassador, the U.S. has maintained the position that there is no precondition to restart the Six- Party Talks. Do you still consider it that way, or do you think it might be a good time to say to North Korea, you have to show the willingness to engage more seriously?

ASSISTANT SECRETARY HILL: Look, obviously we have to get together in Washington. I need to talk to Secretary Rice and others and we need to look at the overall situation. We'll be doing that, and I know other delegations will be doing the same. Obviously, I can't tell you what the outcome of that discussion is. Clearly, negotiators ought to come armed with some instructions to negotiate. I know the DPRK has a rather unique system, but they need to make sure there negotiator has some ability to negotiate. OK, I've had a long day, a long week. I'd like to pack up my suitcase with all my dirty laundry and a couple of extra clean shirts -- if anyone asks me -- and then head on out in the morning.

QUESTION: When's your flight? Is it tomorrow morning? What time is it?

ASSISTANT SECRETARY HILL: I don't know.

QUESTION: Will you be stopping by here?

ASSISTANT SECRETARY HILL: No, this is it. Really. But if you have another question, shoot. Go ahead.

QUESTION: Last question.

ASSISTANT SECRETARY HILL: Last question. This is a mistake, but okay. [Laughter]

QUESTION: This leaving here with no tangible results, does it hurt the credibility of this process? How do you sustain it going forward?

ASSISTANT SECRETARY HILL: That's a broad question which I've tried to answer by addressing the previous twenty questions. I'm not trying to hide anything from you. We're disappointed that we didn't come out with a clear agreement. I would not say, though, that we came out of this completely empty handed. After all, we're able to have these talks again. We're able to reaffirm that the September statement is -- even though it's sixteen months old -- it's still very much the statement that we're trying to get implemented. That's important. I would say too, and I mentioned this earlier, the Chinese once again showed that they are really just an A-class group of diplomats. They're really good. I've been in the diplomatic corps for thirty years or so and I know good ones from bad ones. I tell you, the Chinese are good. They are very good and we really enjoyed working with the Chinese. We really respect their abilities and we look forward to their continuing to take this task. This is not an easy task. So let's see. We can't go another thirteen months. We need to be able to show progress. I wanted to be able to do that this week. That's why we worked so hard on this to get ready. Of course, it's disappointing when you work hard on it, but we'll see where we are and we'll try to regroup and see where we can go in the matter of the next few weeks. With that, guys, I'm really...

QUESTION: Mr. Hill? Um...

ASSISTANT SECRETARY HILL: But he asked the last question...

QUESTION: But it's a Christmas card for you.

ASSISTANT SECRETARY HILL: Oh. [Laughter]

QUESTION: And it's signed by lots of people here.

ASSISTANT SECRETARY HILL: You're very kind. I feel so ashamed to have almost cut you off. [Laughter]

QUESTION: You are so kind to us and very patient and humorous. [Applause]

ASSISTANT SECRETARY HILL: Thank you very much. Thank you. Thank you very much.

QUESTION: Merry Christmas.

ASSISTANT SECRETARY HILL: Same to you.

QUESTION: She's the chief of your Beijing fan club.

ASSISTANT SECRETARY HILL: OK. Thank you very much. It's so kind of you.

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