



DATE: September 25, 2017

SUBJECT: The 2nd ROK-U.S. Strategic Forum 2017: Now and the Future of the ROK-U.S. Alliance

MAIN POINTS:

Session I: “Opportunities and Challenges for the Alliance”

- Strengthening trilateral cooperation between South Korea, Japan, and the US is a strategic opportunity in building better defense against North Korea.
- US and ROK-US approach to North Korea needs to be re-thought with a long-term vision, like 20 years.
- South Korea has room to improve its individual defense capabilities with US support.
- Challenges:
 - Affirming American allies that North Korea’s increased ICBM capability does not affect American commitment to the allies’ defense nor extended nuclear deterrence capability.
 - Aligning North Korea policies and implementation approaches between US and South Korea.
 - Reassurance at a higher level – there needs to be a mechanism for close coordination and consultation.

Session II: “Northeast Asia and the Alliance”

- All panelists agreed that doubt between the alliance and divergence over NK policy is a big problem.
- All agreed that trilateral cooperation/talks are necessary: some advocated for including Japan, some for China. All stressed the importance of open communication.
- Most agreed that continued US leadership is very important.
- Most agreed that the alliance cannot solely be concerned with security issues; it must address trade and history issues.
- Most are confident that the end state features a democratic, denuclearized, reunified peninsula under the ROK, with US alliance.

Session III: “The Future of U.S.-ROK Economic and Trade Cooperation”

- **In-Soo Kang** stressed that we should evaluate achievement of KORUS in a more broad sense, pointing out that it is inevitable to modify KORUS FTA at this moment.
- **Scott Miller** emphasized that whatever the US administration's economic policy is, it is more instructive and more predictive to look at their narrative on the subject and communication.
- **Byung-II Choi** presented what is wrong with KORUS FTA at this moment and what happens if Trump administration terminates KORUS FTA.
- **Wendy Cutler** proposed six suggestions: Open-Eyed Discussion, Laying out Concerns with the Agreement, Implementation, Open Mind, Update on KORUS FTA, Notice on the NAFTA Negotiation.

video available at:

<https://www.csis.org/events/rok-us-strategic-forum-2017-now-and-future-rok-us-alliance> as of September 7, 2017.

EVENT OVERVIEW:

Date: September 5, 2017

Time: 9:30 a.m. – 4:30 p.m.

Location: Center for Strategic and International Studies, 1616 Rhode Island Avenue, NW
Washington, DC 20036

Attendees:

- **Ambassador Richard Armitage**, President, Armitage International; Former Deputy Secretary of State; Trustee, CSIS
- **Ambassador Lee, Sihyung**, President, The Korea Foundation
- **The Honorable Stephanie Murphy**, US Representative for Florida's 7th Congressional District
- **Dr. Victor Cha**, Senior Adviser and Korea Chair, CSIS; Professor and Director, Asian Studies Program, Georgetown University
- **The Honorable Yoon, Young-kwan**, Professor Emeritus of International Relations, Seoul National University; Former Minister of Foreign Affairs, Republic of Korea
- **Dr. Choi, Kang, Vice President**, The Asan Institute for Policy Studies
- **Mr. Abraham Denmark, Director Asia Program**, Woodrow Wilson International Center for Scholars; Former Deputy Assistant Secretary of Defense for East Asia, U.S. Department for Defense
- **Dr. Michael Pillsbury**, Senior Fellow and Director of the Center for Chinese Strategy, Hudson Institute

- **Ambassador Cho, Hyun**, 2nd Vice Minister of Foreign Affairs, Ministry of Foreign Affairs, Republic of Korea
 - **Dr. Michael Green**, Senior Vice President for Asia and Japan Chair, CSIS; Chair, Modern and Contemporary Japanese Politics and Foreign Policy, Georgetown University
 - **Dr. Kim, Joon-hyung**, Professor, International Studies Department, Handong Global University
 - **Dr. Kim, Heung-kyu**, Director, China Policy Institute, Ajou University
 - **Dr. Sohn, Yul**, Professor, Graduate School of International Studies, Yonsei University
 - **Dan Blumenthal**, Director of Asian Studies and Resident Fellow, American Enterprise Institute
 - **Ms. Laura Rosenberger**, Director, Alliance for Securing Democracy and Senior Fellow, The German Marshall Fund of the United States
 - **Bark, Tae-Ho**, Professor, Graduate School of International Studies, Seoul National University; Former Minister of Trade, Republic of Korea
 - **Choi, Byung-il**, Professor, Graduate School of International Studies, Ewha Womans University
 - **Kang, In Soo**, Professor, Department of Economics, Sookmyung Women's University
 - **Wendy Cutler**, Vice President and Managing Director, Washington D.C. Office, Asia Society Policy Institute
 - **Scott Miller**, Senior Adviser and William M. Scholl Chair in International Business, CSIS
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SUMMARY:

Welcoming Remarks

Former Deputy Secretary of State Richard Armitage and former ambassador Sihyung Lee gave the opening remarks. After acknowledging the recent ICBM development, alleged hydrogen bomb, and abrupt announcement of the US possibly leaving KORUS, Ambassador Armitage strongly affirmed US support behind ROK militarily, economically, and politically.

Ambassador Lee shared several points of special common interest in the ROK-US alliance: [2017 was] the 135th anniversary of the establishment of the Korea-US diplomatic relationship, the fifth anniversary of the KORUS FTA, new administrations in both Washington DC and Seoul; and of course, the issue of North Korea. In addition to the North Korean nuclear issue, he emphasized the strength of ROK-US economic cooperation and encouraged continued support and cooperation for the KORUS FTA, with special mention to Wendy Cutler's recent article (previous Chief US Negotiator for the KORUS FTA). Although the ROK-US alliance faces perhaps the greatest measure of security threat since the ceasefire in 1953, Lee looked forward to the timely forum that provides the space for US and Korean policymakers to convene.

Opening Session with Representative Stephanie Murphy (D-FL)

Congresswoman Stephanie Murphy is a first-term member of Congress. She was born in Vietnam and came to the US as a refugee after fall of Saigon in 1975. She is a Member of House Armed Services Committee where she serves on the Subcommittee for Readiness and Subcommittee for Emerging Threats and Capabilities, but most importantly, she is Co-chair of the Democratic National Security Task-force, where she seeks to help Democrats in Congress propose strong, smart, and strategic national security policies, and to support/oppose the administration if it ever comes to compromising US core interests and values.

She began by sharing what she thought were the two main challenges of the ROK-US alliance.

- 1) North Korea, the alliance's original *raison d'être*
 - a. Currently uncharted territory for the US, an unprecedented threat of military escalation by a rogue nuclear state.
 - b. North Korea has tested six nuclear tests since October 2016 (four of them having been conducted under the current leader, Kim Jong-un).
 - c. 16 separate missile tests in this year alone
 - d. Questionable whether Beijing will adequately enforce sanctions. It is also questionable whether the Security Council will agree to strengthen current sanctions.
 - e. Rep. Murphy believed like Dr. Cha, that North Korea has another, less obvious, goal in pursuing nuclear missiles capable of reaching the US, which is to weaken the US-South Korea alliance. However, instead of worsening relations between the US and South Korea, Rep. Murphy thought the US and South Korea can be seen much stronger than ever. North Korea only becomes the land of lousy options if there's any real or perceived erosion in the US-South Korea relationship.
- 2) The constantly changing complex dynamics in Washington and in Seoul, along with the recent elections of President Trump and President Moon
 - a. Concerns regarding Trump administration:
 - i. The inability of the administration to nominate and secure Senate confirmation of qualified individuals to fill positions at State and Defense responsible
 - ii. Irresponsible use of rhetoric i.e. President Trump's initial reaction via Twitter to North Korea's most recent nuclear test
 - iii. Also worried about Trump's announcement to withdraw from the KORUS FTA – was this to please the domestic political audience? Rep. Murphy emphasized that both President Bush and President Obama recognized the KORUS FTA to be a vehicle beyond simply a trade deal, to deepen and expand influence with a vital ally in a key region whereas President Trump looked like he was only considering the economic benefits.

- iv. US's actual departure from the KORUS FTA will likely be seen as a betrayal of America's commitment to the broader alliance, should it ever occur.

Rep. Murphy ended her speech by highlighting the importance of US global engagement as well as the important role of Congress. She credited US leadership around the world and its participation in the web of institutions and alliances with its partners in Asia and Europe established after WWII, as two main reasons why the US has not yet seen World War III. If the Trump administration takes any step that would weaken US alliance with South Korea, Rep. Murphy believed Congress should step in, as a co-equal branch of government and one with the primary power of the purse.

Q&A

Q (Cha): Congress has been quite active on the NK issues, passing a lot of bills that have been arming the administration with the tools to move forward, particularly in terms of sanctioning... You mention that part of the solution here is that they have to recognize that their survival comes through negotiation, some sort of negotiated settlement. From your perspective and your colleagues', what does Congress see in terms of that side of the equation, in terms of this question of negotiation and some sort of diplomatic settlement?

A (Rep. Murphy): I think that there is general agreement that the best path forward is diplomatic and so we have to exhaust all means possible in that. And I think one of the things is, though we have provided the tools on sanctions, there is still a level of uncertainty as to how well implemented those sanctions have been. It's why earlier this year I introduced a bill to call for a NK intelligence fusion cell. But within that – and the intelligence fusion cell would have all of the intelligence agencies work together. And CIA has since put together their own intelligence fusion cell, but I do think it needs to be expanded. But within that bill, one of the areas of focus was to gather the information we need to know to ascertain whether or not – how well these sanctions have been implemented, and whether or not they're having an effect. You know, I think, as you've said, people don't think sanctions work, until they do, right? But it requires everybody being on board and actually executing on their pieces of that. And so, you know, I think we need to push forward and make sure that those sanctions are implemented to the full extent possible, and see what other means we can apply to create pressure to encourage North Korea to come to the negotiating space.

Q (Cha): The other place that Congress has played a very important role has been on human rights. I think the North Korean Human Rights Act is up for renewal pretty soon. There was a groundswell of interest in this issue with the UN Commission of Inquiry report a few years ago. To what extent does Congress – do you and your colleagues see yourselves playing a role and in what way would the act be renewed? What is the view on that, because attention toward that issue seems to have dissipated in the past few months?

A (Rep. Murphy): Well, I think one area that we have expressed, through a letter to the administration, is the appointment of a special envoy on human rights, and that had multiple cosigners. So I think that there still is an interest in seeing human rights addressed, and particularly because of the connection that you've often raised, which is that there's a connection between North Korea's human rights violations and the way that it's getting resources to fund some of its missile development.

Q (Rob Warren): President Trump indicated that he would withdraw from KORUS FTA. Would it be possible that Congress could override him on this?

A (Rep. Murphy): Withdrawal from KORUS would be a huge mistake. It has been beneficial to a lot of states across this country. I think there are members of Congress who are very deeply interested in seeing it continue. The ways in which, from a tactical perspective, that Congress could, if the president were to announce that, prevent it from happening is to put in an appropriations bill that no funds shall be used to implement a withdrawal from KORUS FTA. That would be one option on how Congress could intercept something like that.

Q (Yoshi Komori, Sankei Shimbun): You stated in your speech that the Trump administration has yet to fill many important positions for its policy toward Asia within their executive branch. In your observation, why do you think that the reason is?

A (Rep. Murphy): Well, we can go with conspiracy theory or we can – (laughs) – when it comes to the State Department, there have been a number of articles that have been written about the dismantling of that department. And I really believe that, if you look at your budget and your personnel policy, you'll see what your priorities are. And so I'm actually fearful that the lack of personnel appointments, and also some of the funding cuts that I've seen in the diplomatic and development space is actually a reflection of where this administration's priorities are. But again, that's an area where I would disagree. You know, our tools of national power include diplomacy and intelligence and economics, not just military. So we can't just fully fund that and rely solely on that.

Q (Ken Meyercord, TV producer): Yesterday Nikki Haley made the following statement: "When a rogue regime has a nuclear weapon and an ICBM pointed at you, you do not take steps to lower your guard. No one would do that. We certainly won't." Couldn't the North Koreans make the same statement that Nikki Haley did, with equal legitimacy?

A (Rep. Murphy): I think that North Korea's development of nuclear weapons and their missiles are in violation of international law. The possession of – the US possession of our weapons is not. I mean, so this – their development is in violation of international law.

Q (Suh Jin Kyo, Visiting Fellow at the US-Korea Institute at Johns Hopkins University):

The American handling of the Cuban issues looks very interesting to me. The normalization with Cuba may be in danger, or not. What kind of implication can I find from the Cuban case?

A (Rep. Murphy): You know, at a time when North Korea is so aggressively advancing its nuclear weapons and its missile technology in violation of international law, it's hard to imagine a – some sort of return to normalization, like with Cuba. I mean, I think those are very, very different scenarios. What North Korea is doing right now in the region is aggressively destabilizing, flaunting international norms. I think that moving to normalization without some sort of halt or some sort of agreement to roll back what they have done illegally would be a mistake.

A (Cha): Yeah, I feel like that quite often, I mean, for those of us who study this people bring up Cuba, they bring up Iran, and try to draw parallels. And I think that, you know, on the surface there may look like there are parallels, but, I mean, if you look at it in – with any degree of detail, they're very different. And in the Cuba case, you know, the obvious difference is Cuba didn't have – was not testing – as you said, was not on an aggressive testing campaign to threaten US territory, which made the conditions for any sort of even internal discussion about a Cuba model very difficult, I think, at this time.

Q (Kristina Yoon, US Air Force Legislative Fellow): I think in light of recent events kind of the big elephant in the room is this question of nuclearizing South Korea. And earlier this year, President Trump had stated that he'd be open to considering a nuclearized South Korea, or South Korea developing kind of nuclear capabilities. Could you please share the pulse of the US Congress on this particular issue with us ?

A (Rep. Murphy): We have spent decades with a lot of effort into nonproliferation and reducing nuclear weapons around the world. I don't think that we should allow what is going on here with North Korea to escalate and nuclearize the peninsula further. I mean, the point of the collective deterrence or the nuclear umbrella is so that South Korea does not have to develop its own nuclear weapons. And so long as that commitment exists and is a firm commitment on the US part, there shouldn't be a need for South Korea to develop its own nuclear capabilities. But, having said that, you know, there are a number of areas where it appears this administration is making some adjustments to South Korea's defensive capabilities. And we all understand that – even those conventional weapons, those thresholds, payloads, things like that changing creates a response by China and Russia. So we have to proceed very carefully how we allow our response to North Korea's actions to contribute to or take away from the stability of the region.

Q (Cha): You just mentioned China. Could you say a little bit about your views on how you think China has been handling this and whether you think that the administration's policy of having these secondary sanctions sort of in their back pocket to directly sanction and list Chinese

companies and entities if the Chinese aren't cooperating – do you think that's a sound strategy? I'd love to hear your views on the China piece of this.

A (Rep. Murphy): I think China has a really important role to play here. And whether or not it's exercised its full range of ability to influence this situation I think the answer to that is probably it's fallen short of its full range – although, Chinese government officials will tell you that we're overestimating China's power over North Korea. Secondary sanctions are just to encourage China to think differently about it. But I wonder if this nuclear test doesn't make it think differently about its role. And I think it has to think both in terms of carrot and stick, right? So what we've been pushing China to do is, you know, sanction North Korea, make it painful for them with – not to continue the Game of Thrones theme, but winter is coming on the Korean Peninsula. And so one would imagine any sort of oil sanctions at this time would be particularly pronounced and felt strongly by North Korea. So I think that's the stick part of it, right? But what are the carrots that are available for Korea? And how do you look at what it is that North Korea is trying to achieve and see – you know, I don't know that the US is ever going to be able to assure North Korea that we won't topple them, right, no matter who – how many people say it. But can China provide some sort of assurances on that carrot side, in addition to the sticks, to get some traction in this scenario?

Q (Dong-hyun Kim, Chosun Ilbo): I have two questions to you. Between the Bush administration and Trump administration, what will be the commonalities and differences between the policies towards the Korean Peninsula? Second question is about Dr. Cha here today – you as the new – nominated as the new ambassador to Korea, what would be your arrival date to Korea as the new ambassador? Why has it been delayed, many positions that has been under this Trump administration, which you briefly touched on today, that there are – many of the positions regarding the Asian issues are still empty. So I just want to know the reason of that as well.

A (Rep. Murphy): So differences in the alliance. You know, as with many things with this administration, there's more rhetoric than actual substantive change in policy, as of yet, right? Obviously if we move forward with pulling out of KORUS, that would be a significant change in policy. But right now, we're just hearing a change in tone and tenor of how we're talking to a dear ally. But if you look at what we've done as a government – you know, in the NDA that was passed, there's a significant investment in Asian security. We continue to do exercises with South Korea. I mean, all of the things that have been cornerstones of the alliance are continuing to date. But that's not to take that for granted that it will continue. But I think right now we're just trying to deal with a little bit of the rhetoric. And that's been the main change.

(Cha): Well, great. Well, Stephanie, thank you so much for taking the time. I thought your comments were extremely thoughtful. I know that you've traveled to the region and you're emerging as one of the leaders on Asia policy and Korea on the Hill. And again, knowing that

this is your first day back and the agenda you have in front of you, we really do appreciate you taking the time to be with us. If we could thank the Congresswoman very much.

Session I: “Opportunities and Challenges for the Alliance”

Dr. Cha began the session by asking each panelist their perspective on key tasks, key challenges, and key opportunities in moving forward in a very important transitional and formative period in the US-ROK alliance between the two new leaders.

Michael Pillsbury, China expert

Pillsbury first identified himself as a friend and past advisor to the Trump administration to convey optimism for his first recommendation, which is for President Trump to uphold his commitment on visiting South Korea this year. Pillsbury recommended a longer-term vision and strategy for US policy coordination on North Korea through study groups on North Korea and military strategy. He encouraged close consultations between the two presidents such as sharing direct high-level phone conversations, building trust and regular exchange of ideas.

Pillsbury then described the fundamental difference of China’s and US’ perspective on US-ROK alliance management. Pillsbury believed the alliance was largely about supporting South Korea’s defense and also credited Dr. Cha (Powerplay) for pointing out how America’s military alliances in Asia, including with South Korea, were formed to restrain tendencies or the use of force by the part of alliance partners, not to encircle China and contain/dismember them. China, military especially, continues to believe US-ROK alliance intensification is aimed at China; this was most recently reflected through the THAAD contention. Thus, through better explanations and effort, Pillsbury encouraged exchanging views on alternative scenarios for China and sharing our debates.

He encouraged improving the trilateral relationship among South Korea, Japan and the US through GSOMIA, which is an agreement on the protection of military secrets. This would improve military and intelligence coordination between the three countries. Pillsbury also encouraged approaching trade and security issues together, particularly recommending a dispute mechanism process (type of joint committee) within the KORUS free-trade agreement. He also mentioned nuclear energy cooperation and the question of whether South Korea should possess nuclear weapons. Pillsbury is usually bullish but currently quite optimistic that the recent Pyongyang behavior had actually pushed ROK and US closer.

Foreign Minister Yoon Young-kwan, previous Foreign Affairs Minister for the Roh Moo-hyun government

Foreign Minister Yoon discussed three challenges for the US-ROK alliance:

- 1) Having the same policy and implementation approach in pursuing North Korea’s denuclearization – Both ROK and US governments agreed on maximum pressure and

engagement but the approaches of applying that pressure must be carefully calibrated to be in sync. Yoon also mentioned keeping diplomatic channels open.

- 2) The issue of extended deterrence in the era of North Korea's nuclear ICBMs – North Korea's increased capability to strike the mainland territory of the US may seriously weaken the credibility of US commitment in extended nuclear deterrence so ROK, US and Japan should discuss what kind of measures should be taken to face these new challenges.
- 3) Coordination in future NK negotiations – One group says we should have a phased approach while another group proposes a grand bargain between the US and China. Ultimately, Yoon also recommends a mechanism for close consultation and coordination, not just for the sake of the goal of denuclearization or the alliance itself but also for the strategic interest of the US.

Abe Denmark, previous Deputy Assistant Secretary for East Asia in the Office of the Secretary of Defense

Opportunities for the alliance:

- 1) Denmark encouraged the leadership from Seoul, Washington, and Tokyo to take the opportunity to strengthen trilateral cooperation.
 - a. Involving Japan in potential defense exercises in South Korea could be very important.
- 2) Another opportunity is the opportunity to increase South Korea's military capability, along with mention of opening up sales to Japan to allow them to enhance their military capabilities as well.
 - a. This should be done cautiously so that US allies don't interpret this as a sign of the US taking a step back, as it had in the past with Vietnamization and the Guam Doctrine during the 1970s.

Challenges for the alliance:

- 1) Conventional deterrence (not strategic. Denmark said US strategic deterrence was actually quite strong). North Korea has been acting more aggressively and confidently at the conventional level than what we've seen before i.e. the shelling of various islands, Cheonan sinking.
- 2) Enhancing reassurance and coordination channels at the highest levels of command.

There is a need to assure our allies that this nuclear capability is not going to prevent us from defending our allies, but this requires the high-level reassurance phone calls, not just simple statements. As the US continues to enhance its capabilities in the region, it is important that the message is said very clearly and publicly that the US is maintaining strong cohesion and coordination with its allies.

Choi Kang, previous senior advisor on the National Security Council for the Kim Dae-jung administration

There are at least four areas of coordination that includes both challenges and opportunities: North Korea, regional cooperation between the US and ROK, global issues, and alliance management (the base, OPCON).

- 1) North Korea: There needs to be a clearer long-term vision about the end state on the Korean Peninsula and discussion on how to achieve it step-by-step. So far it seems the US and ROK have been more reactive than proactive in preventing North Korea from doing something.
- 2) Regional: Need to think about how to strengthen the foundation of a rule-based regional order in East Asia, and how to engage China without containing it.
- 3) Global issues: public health, resource management, human rights, energy security. The Moon Jae-in administration announced that he is going to depart from nuclear energy so this could be problematic. Kang still advises the importance of discussing energy cooperation if not specifically nuclear energy cooperation, which was mentioned earlier in the panel.
- 4) Alliance management:
 - a. How to approach the idea of “burden sharing” – not simply about the amount South Korea is paying but how to formulate the burden sharing. What kind of things can the US provide in exchange for South Korea to take a bigger burden?
 - b. OPCON transfer – The currently agreed upon conditions-based OPCON transfer and expedited process requires the South Korean government to spend more money in building a higher capacity defense, which means a increased defense budget in South Korea. It is also important to consider an alternative command structure or whether ROK-US will maintain combine forces.
 - c. Kang also supported an integrated missile defense system, though this may be controversial politically.

Dr. Cha responded to these presentations by asking a follow-up question on trilateral coordination amongst the US, Japan and Korea. Can you say specifically what you like to see do? [Denmark] mentioned more integrated exercises. Does that mean Japan is part of the spring and fall exercises in Korea, or exactly do we mean when we say going deeper?

A (Choi): OK, sure. Maybe I can think of two or three things. First, I think that maybe after concluding GSOMIA with Japan we have to think about this – the ACSA, the acquisition and service agreement between the two countries, and then the others – like, for example, we are very much concerned with North Korean submarine activities around Korean Peninsula. We have to think about this antisubmarine warfare cooperation. So there’s that. The other is, like, for example, the minesweeping operation, we can think of. But before going to actual – the physical exercises, it seems to me like it is necessary to have some kinds of tabletop exercise amongst three countries. If North Korea does something, what we are going to do, so we can clearly identify where we can go together or where we can’t. So maybe clearly think about this rather grandiose strategy designed, pushed by North Korea.

A (Denmark): I thought those were very good suggestions. I do think that enhancing or bringing trilateralism into some of our major exercises in the region would be very helpful, starting small at the beginning but gradually building it up to demonstrate to both sides how all this works together I think would be important. Beginning with table tops I think is a good way to – a good way to go. ACSA, of course, I think would be an important step after GSOMIA to enhance that military cooperation. The maritime cooperation that was mentioned is also important. I would add to that missile defense, that some of – we had some baby steps in the past – in the past couple years of missile warning coordination, but really taking the next step and turning it into more full-fledged trilateral missile defense cooperation, focused on the North Korean missile threat, I think would be very important. And then go – and then beyond that, beyond the military sphere, looking at enhancing economic ties, cultural ties. You know, one of the things that surprised me as somebody in government, considering how careful some people were about talking about talking about trilateral cooperation, actually moving ahead on it, looking at some of the polling being done in Korea, being done by Asan, is that generally speaking Japan is actually polling quite well in Korea...compared to China. And so the people seem to be a bit out front of the government in that way. So I think that there is room to move forward in trilateral cooperation. But as I said earlier, it'll take leadership from both sides as well as leadership from the United States to ensure that this is moving forward at a stable pace.

Cha: So I have a list of ASW, minesweeping, tabletop, GSOMIA, ACSA, missile defense, these sorts of things – because, obviously there are political sensitivities, is this something that you believe should happen at sort of below the headlines, or should be embedded in some bigger, broader trilateral political declaration among the three countries that publicly mandates the three countries to work in this direction? I mean, I've heard arguments on both sides. Some people say, no, just do it quietly. Others say, no, you need sort of high-level sort of anointing of this as the official position going forward. What do you think?

A (Denmark): I think keeping things quiet, keeping things below the radar is a very helpful way, especially for people – for technicians, for people on the military sphere who just want to have the practical cooperation. There does need to be some political top cover at some point that – as you build from small to big, there will need to be some sort of political declaration. I think some people thought we already had that in the declarations between Prime Minister Abe and President Park. If that needs to be redeclared, if it needs to be that every time there's a change of leadership in either country there needs to be some sort of statement. I think for the United States, that's really a question for those two countries. As an American, my focus would be on the practical cooperation and ensuring that we're doing what we need to do. And if either country, either Japan or Korea, feels that they need some political declaration at a high level, then our political leadership can engage to try to encourage that, to make that happen.

A (Choi): I agree with Abe on this more practical cooperation instead of going for a higher level political declaration. At the same time, it seems to me that we can go, along with the political declaration, in agreeing this trilateral cooperation and providing the regional comments.

So there are non-regional security issues which are very actually tangible in East Asia. So we used to have a kind of search-and-rescue operation and disaster relief, humanitarian assistance. All these things can be together. But actually, those things can be reflected in the political declaration. In the meantime, maybe a harder security cooperation can be pursued at the working level, at the practical enhancement of trust, and also the coordination mechanism among three allies.

Cha: OK. Great, thanks. And I want to ask now, Dr. Pillsbury or Minister Yoon, two questions, and then you can choose which ones you want to respond to, but I have a feeling I know which ones you will respond to. (Laughter.) And the first question is, you know, Foreign Minister Yoon, you mentioned in your comments about the importance of pressure, but also the importance of signaling to avoid miscalculation or to avoid putting – I mean, the last place we want any country to be in is where they feel like there are – there’s nothing to lose in war and there’s a lot to lose in peace, right? That’s a very dangerous situation. So I guess one of the questions, I think, that I certainly have, is there signaling that other countries can send to the current North Korean regime that has not been signaled already, or could be signaled in a way that would actually make a difference? And then related to that also is the 800-pound gorilla in the room in any discussion these days about Korea is China. And, Mike, you’ve studied China. You know China very well. You have networks in China. And I guess the question there is, in your opinion – in your well-informed opinion, is China ready for – are they ready and willing for a long-term strategic conversation about the future of the Korean peninsula? Because China’s such an integral part of any tactic that is implemented with North Korea. But as a number of you mentioned, the tactics are not helpful unless we have a long-term plan, right? And I know you, we participated for many years in a lot of these net – a lot of net assessment work with grand marshal where the mandate was to look 20, 25 years out.

A (Pillsbury): We should have had Korean involvement.

Cha: So those are the two questions I’d like to ask you. Maybe Foreign Minister Yoon, you’d like to start on the signaling question.

A (Yoon): That’s very difficult question to answer, but there are two points that I would like to make. One is the reason why I emphasized the importance of sending clear signals consistently to North Korea is that words augur quite often, because of misperception, misunderstanding, and overreaction. And if we send confusing signal to the other side, there will be increasing chance of misperception and misunderstanding and overreaction. So I think it is important, very important, to send a clear signal consistently. Very rare calibrated signals. The second point to your question is that I think if we want to have a successful negotiated solution of what any conflict, I think we should provide national pressure and, at the same time, maximum incentive. But I wonder whether our side – both the US and South Korean side – have done enough to provide maximum incentive so that Kim Jong-un thinks that without nuclear weapons he can survive, or even prosper. We did try hard to pressure North Korea with

maximum, I mean, strength or force or something like that. But I think we did a little less than that in providing maximum incentive so that the leader of North Korea really believed that it is better for him to give up nuclear option. I mean, cost-benefit calculation should provide him some kind of incentive that it is better to give up our nuclear weapons to survive, to strengthen their domestic political legitimacy, or something like that. For example, in the 1994 framework, there was an important clause included that was improvement of political relationship between the United States and North Korea. I think North Koreans had high expectation about the implementation of that clause. But I think the American side regarded that agreement just a simple military technical, I mean, agreement. So from the US side, their point of view, I think we – I mean, the US and South Koreans, should have done more, tried harder, something like that. So that's my answer.

A (Pillsbury): Victor, it's unfair you're asking the easy questions to Abe and Asan Institution, and you're asking the Foreign Minister and myself the hard questions. So I just want to object. (Laughter.) I think there's a link between trilateral cooperation and US-China relations. In my book, "The Hundred-year Marathon" I mention a particular CIA officer named Joe DeTrani, who is one of your speakers tomorrow. I hope somebody asks him this question. The level of cooperation between China and the United States has been extremely high – far more than the public has known until I published my book, with security review permission from CIA and the Pentagon. We've cooperated with China on the largest covert action of the entire Cold War, and just a whole range of ways. I list 12 examples in the book, and I think there are even more that didn't make it through security review. So it's actually a good thing for people in Seoul to be suspicious of the Korean passing over the heads of Seoul. I don't deny that possibility. The relationship between the US and China is widely misunderstood in Asia as being somehow antagonistic – that is, that China rises and we get these strange stories about a Chinese military guy who says, well, let's divide the Pacific in half. There's a kind of conspiratorial thinking that the US and China are about to go to war. But at the same time, that this cooperation continues. And this comes to bear particularly with trilateral cooperation between Japan, South Korea, and the United States. It would be a nightmare – I mean, one of China's nightmares – I actually wrote an article on 12 Chinese nightmares in survival several years ago. So the tradeoff is if we could persuade South Korea and Japan to have what Abe is proposing – which I tend to agree with, regular exercises, not just one-off, that involves Japanese forces, South Korean forces and our forces, and perhaps even potentially by invitation others who might want to come. The message to Beijing is close to a stab in the back, that we are organizing Northeast Asia against you because, despite our 40 years of cooperation and all the things that Joe DeTrani did, we really don't like China anymore. So that's the kind of tradeoff when you raise the grand strategy-level issues, which I was so impressed in your book, Victor, "Powerplay," to mention it again. Why didn't we originally – in the days of Truman and then John Foster Dulles – why didn't we have a joint treaty involving South Korea and Japan? And you actually have a section on the thinking of American policy planners at the time, that these were two different issues and only a fool would mix them together. But now the grand strategy assessment level has changed. And as China begins to draw close to us in terms of its economic strength in a way the Soviet Union

never did – the Soviet Union may, at best, have reached to 25 or 30 percent of the size of our economy – Soviet Union, United States. China, if you just go by IMF/World Bank numbers – China is closing in on us. There are some of their economists – Hu Angang, Justin Lin – estimate by 2030 they’ll be double our economy, despite Gordon Chang’s they’re going to collapse. They have a quite different view. So in this overall strategic picture, looking at 20 or 30 years all at one time, the United States – a new United States president, it seems to me, who comes from the business world, has to look at the overall strategic context. And my view is trilateral cooperation among South Korea and Japan and the United States is very important and makes a lot more sense than 10 or 20 years ago. So to answer your question to them, I do think it needs political cover. It needs a framework of some kind. It will probably help a lot with both Japan and South Korea for them to say the Americans want this. There’s an American framework here. We’re not doing it because Korea and Japan love each other. We’re doing it because the Americans want this. But the damage to our relationship with China – that will exist. And we’ll need a good explanation for why we are doing this. And I would suggest one of them could be, well, the Chinese are invited to these exercises too, as long as they meet certain conditions. But the conditions may be very difficult for China to meet. Democracy would be one of them. (Laughter.) A multiparty democracy. Sorry for the long answer. But I think what you’re raising for all four of us is really the grand strategy going forward, the next 10 or 20 years. When a new president comes in, he asks certain kinds of questions that if you were kind of a cheeky think tank person you say, well, that’s – what a stupid question. But actually, some of the new president’s questioning is really quite profound. How did we get here and where are we trying to go over the next 20 years?

Q&A

Several questions taken together.

Q (Mike Bucaklew, Pac Forum Young Leader): So I have a two-part question. The first is, what lessons do you see President Moon as having drawn from the experience of his predecessors, particularly that of his mentor Roh Moo-hyun, when engaging with North Korea and dealing with US alliance management? And on the American end, what lessons do you think President Trump should draw from his predecessor’s experience dealing with North Korea and alliance management with the ROK?

Q (Yashar Parsie, CAP): I address this question to Dr. Pillsbury. The president tweeted this morning that he will authorize the sale of advanced capabilities to the Japanese and South Koreans. Beyond the THAAD system, what additional capabilities do you think that the South Koreans require to deter and defend against North Korea? And what affects do you think these additional capabilities might have on strategic stability with China in the sense of a security dilemma?

Q (Steve Winters, an independent researcher): This is also for Dr. Pillsbury. I’ll make it brief. Sir, you mentioned several times the Chinese perhaps irrational fear of encirclement, and so

forth, and you've discussed that. To what extent do you think the Chinese see the current sort of increasing chaos on the peninsula as something that would increase their suspicions of why this is happening, because in their statements they've suggested a double freeze and this and that. So they seem to think that there are two sides, neither of which is willing to deescalate the situation. And so is this going to increase their paranoid view?

A (Yoon): I think we have a kind of – (inaudible) – in terms of North Korea policy in South Korea, which he emphasizes the importance of person-to-person integration between the North and South and cooperation and a peaceful coexistence, or something like that. And that kind of belief was shared by both President Roh Moo-hyun and President Moon Jae-in. I think that's a kind of legitimate because we have some examples like German unification. And both Germanys could be unified because of very excellent diplomacy, on the one hand, by Helmut Kohl. But on the other hand, without Ostpolitik, which was initiated by social democracy leader there, the unification could not have been possible.

So it is – that kind of experience influenced President Kim Dae-jung very much. And that kind of dream was the reason why he pursued engagement policy toward North Korea, which was also shared by President Roh Moo-hyun and President Moon Jae-in. I think many – probably most – Koreans have been dreaming a kind of a state of coexistence. And that's the reason why those three leaders are emphasizing – helping emphasize the importance of inter-Korean cooperation. However, the problem is that North Korea's provocative security policy of developing nuclear weapons narrow the space for those leaders to implement that kind of engagement policy. Even though they may be dreaming, President Moon have an idea of engaging North Korea in his mind. He is a realistic political leader and recognizes the limitation to truly implement that kind of policy. That is exactly why he has been trying hard to strengthen bilateral relationship between ROK and the US, and to overcome this very difficult challenge posed by North Korea's threat. However, I still think that it is desirable for Korean government to pursue some kind of inter-Korean cooperation in the few areas outside international sanctions like providing medical assistance to North Koreans, where many people are dying because of lack of medicines.

There is no reason for not trying that kind of cooperation for President Moon. And I fully support that kind of initiative, but I think he recognizes it is not the right time to pursue full-fledged economic engagement of North Korea. I think that he is definitely realizing the current difficult situation.

Q(Cha): Do you want to talk about the question regarding Chinese encirclement fears as a result of the current crisis?

A (Pillsbury): There is a debate that is broken out in Beijing, which I have tried to cover in my previous books. The debate is part of the initiative that China and then Russia joined, and put forward for the double suspension, as they call it. I agree with Nikki Haley, of course, that it is a non-starter. But it does show the Chinese willingness to take an initiative. And it does show an interesting betrayal, in some ways, of North Korea.

As Joe DeTrani told me a long time that a very high-level magazine with many sponsors got closed in Beijing just for publishing an article that we should consider whether North Korea is more of a liability than an ally. That is almost 20 years ago. Now, in China, there is much more widespread discussion of the option of really getting tough on North Korea. So part of what you see in China, it seems to me that they have tended to bide your time and hide your capabilities. But the rest of the world, especially friends of mine in Asia have missed this. They think they're still dealing with the old China. And one reason for that is that we, the US, have had a lot of net assessment sharing activities in Europe. We have not really done a net assessment collaboration with South Korea. And I think we should. We have not done a formal net assessment cooperation with Japan, and I think we should.

Behind a lot of these questions including the one about President Trump's tweet and what more can we sell to South Korea to, there are the military balance and the trends that are occurring. If it is weakening and deterrence is going to get harder and harder over the next 10 years, then we will wish that back in 2017 and 2018 we had done more to strengthen our side of the balance. If it is getting stronger and stronger, that is a different story. We can be more complacent. So I would like to put that on the agenda of think tanks in Washington, Seoul, and Tokyo. What is happening to the conventional balance and to the strategic balance? My fear is it is getting worse. But I am not sure. Do we want South Korea to have longer-range missiles or not? If the balance is getting worse, then we do.

A (Choi): About the lessons President Moon has learned from the previous administration, I think there are at least two, actually. One – actually, President Moon is underscoring the ROK-US alliance as backbone in solving the North Korea problem. That's one. Actually, there's a difference, because actually it's more Kim Dae-jung-like instead of Roh Moo-hyun. So actually strong emphasizing ROK-US collaboration and coordination in handling North Korea. Not seeking autonomy 100 percent from the United States. So cross consultation is going to be pursued between the two parties. And also, the other thing like the – of course, is conditionality is attached to the inter-Korean dialogue, except on the humanitarian front. That's a difference between the Roh Moo-hyun administration and the Moon Jae-in administration. Because it actually seems to me that the Roh Moo-hyun administration actually their argument goes like this: Despite all this – problem they have with dialogue with North Korea, I don't think that's the case in the Moon Jae-in administration. If you read his statement, he always attaches the conditionality of inter-Korean dialogue. Whenever there is meaningful progress on the nuclear front, we can have dialogue – even including the inter-Korean summit. That is the conditionality attached. So I think there are two differences between Roh Moo-hyun administration and Moon Jae-in administration. President Moon Jae-in has become much more practical and pragmatic.

A (Denmark): First, on the lessons for the president, I clearly can't comment on what lessons he has drawn. I could comment on lessons that I think should be – should be drawn from previous experiences. And I will only focus on two. First is the importance of our alliances in Asia. To realize that US alliances are at the foundation of American power and influence in the

region, and that enhancing collaboration and cooperation, but also building ties at the military, political and economic level is absolutely essential as Asia grows more important and as China continues to rise. That without our allies the US will not nearly have the same amount of influence and access and power as we do – as we do with them. So first is criticality of our alliances. And the second is to not put too much stake in personal relationships with Chinese leaders. That you can have good meetings, you can have good engagements, you can say good things to each other. But in the end, both countries – both leaders are going to represent the interests of their countries. And that just because you have a good meeting, you have a good engagement, make sure that you're – make sure that we're not putting too much stake in the quality of that arrangement. I think the in the past people – and this is not specific to any single person or any single meeting – but ensuring that you have a good meeting but also that you're realistic about what to expect from them, I think, is very important. Other piece I wanted to mention, the fear – China's fear of encirclement, China's take on strengthening of our alliances, which is a point that Dr. Pillsbury has touched on several times. Obviously, there are people in China, some at very high levels, who believe crazy things about the United States, going back decades. And more recent examples about conspiracy theories surrounding THAAD are just a more recent example of that. The key to understand this, though, is that this is not based on technical reality. China's concerns about THAAD is not based on the range of the radar or the range of a missile. It's political. And a lot of these conspiracy theories that are fairly popular in some circles in China reflect instead of a literal belief that this thing actually happened, more of a fundamental suspicion about American intentions and the role of the United States vis-à-vis China. And so my take on this is that America's role in the world – any American leader is first to defend itself, to defend the United States, and to defend our allies. And that reassuring China of baseless suspicions is secondary. So to me, making decisions about THAAD, for example, cannot happen if you're allowing Chinese paranoia to get too far into your decision cycle. That the first question is, what's best for the United States? What's best for your ally? And once that decision is made, then you can start talking about how to talk to the Chinese about it, how to make them understand the real capabilities, the real intentions behind those. So to me, when thinking about enhanced trilateral cooperation or any decision as it involves the defense of the United States or our allies, the first fundamental and really only question is, is this helpful for the United States? Is this helpful for our allies? And once you come to that answer, then the secondary question is how do we talk to the Chinese about this? How will China react to it? What's the engagement plan, comes into effect. But I think we got to make sure we keep that priority in mind.

(Cha): Perfect. We are out of time. OK. So really, I found it a very interesting and informative discussion. Thanks to all of our panelists for their presentations and for answering my questions as well as the questions from the audience. Let's give them a round of applause.

Luncheon Keynote with Cho Hyun,

2nd Vice Minister of Foreign Affairs, Republic of Korea

Minister Cho was the previous South Korean ambassador to India, Austria, and the Permanent Mission to International Organizations in Vienna. He has worked on a variety of issues during his distinguished diplomatic career, including trade, nuclear security, energy, and climate change policy.

Minister Cho began his address by showing appreciation for the US' support to South Korea during a precarious period twenty years ago, particularly throughout the IMF bailout and the election of Kim Dae-jung, and expressed the continued importance of US support to South Korea in the present day. He then described the current challenges South Korea faced and prescribed close cooperation between the US and South Korea governments. Current challenges include the previous South Korean president's scandal, the growing inequality and socioeconomic challenges in South Korea, and the issue of North Korea. Minister Cho emphasized that [South Korea] cannot accept two things: 1) North Korea as a nuclear weapons state and 2) war on the Korean peninsula. Cho supported the continued idea of sanctions and pressure, with emphasis on China's participation in fully implementing the sanctions and pressure. Secondly, Minister Cho expressed that deterrence efforts would also help prevent war from occurring on the Korean Peninsula; emphasized the importance for close cooperation between the two governments; and referred to the June summit meeting, July G-20 meeting, and direct telephone calls between the two presidents as promising displays of the current and future cooperative efforts between US and South Korea.

Minister Cho gave two suggestions on why North Korea continues to exist as a huge threat. First, North Korea takes advantage of the democracy processes of both the US and South Korea – the elections, change of government, and change of policies. Second, the US as a global power and authority, had their attention stretched by other priority world issues, which might have left room for North Korea to pursue its nuclear ambitions. Minister Cho concluded that the two ideas reveal a problem of inconsistency, and emphasized the need for focused efforts over a longer period of time. Lastly, he expressed that some dialogue with North Korea is more important than no dialogue at all. He proposes two types of dialogues – one for denuclearization and the other for humanitarian issues and reducing military tensions in the DMZ at a later state. He believed the latter dialogue would help create an environment favorable to be able to approach the former.

Q & A

Q (Isabelle Hoagland, Inside US Trade): I'm curious how Korea is viewing these threats from President Trump to withdraw from KORUS, specifically from a civilian standpoint. What's the feel over there domestically regarding these threats?

A (Minister Cho): Thank you for raising that particular question. Some years ago, I was chief negotiator for the renewal of our 123 Agreement. I negotiated with Bob Einhorn. And at the time, I argued that this renewed agreement on 123 Agreement would be our third pillar, after the alliance and the KORUS. So it is very important and I'm very sanguine about its future. Some people worry about it. But, as I know, our negotiator, Kim Hyun-chong, happens to have many friends in the Beltway. He will sort it out.

Q (Andy Wright, Pochemsi): So you mentioned there are two things that you cannot accept—one was a nuclear North Korea and one was a war on the Korean Peninsula. Being mindful of the other actors that are involved, China or Kim Jong-un, if you were forced, which one would you prefer to have?

Q (Florence Lowe-Lee, Global America Business Institute): This is follow-up on the first question, about 123 Agreement. You had a passion, and you are chief negotiator for 123 Agreement but right now, the current administration policy is phasing out nuclear, civil nuclear program in Korea. How do you feel? Or is there any sort of viewpoints from your – from your – as a negotiator initially, as your perspective?

A (Minister Cho): Well, the phasing out of nuclear reactors in Korea is not imminent. On the contrary, it'll be a long-term goal, maybe 50 years. I do not know... We have the shared interest that building nuclear reactors around the world should not be left to countries other than Korea and the United States so we will closely working on it. Regarding the question on this issue [first question], I would prefer doing neither of the things, and I won't answer to that very hypothetical question.

Q (Carlo Munoz, Washington Times): I just wanted to follow up on your comments about – you said the White House has seemed distracted at times, which possibly could have allowed an opening for North Korea to have pressed ahead with their weapons programs. In your assessment of the White House's response, has it been adequate enough to sort of tamp down pressures on the peninsula? Or, in your opinion, can the US do more? And if so, what should they do?

A (Minister Cho): With regard to the current White House, I don't see any problem. Due attention has been given to this issue. As for previous ones, well, understandably there have been some very imminent and important issues all around the world.... But thanks to North Korea's continued provocations, we cannot afford such things [strategic patience] recently.

Q: Mr. Minister, I think you've presented a conundrum for us, and I'd like to discuss it. You have suggested that we need a dialogue. On the other hand, you also have suggested that you cannot have a nuclear-armed North Korea. How do we enter into a dialogue without first having an understanding that there would be denuclearization?

A (Minister Cho): Well, Robert, it's good to see you after some 20 years. And I hope I could answer your question. Luckily, I do not deal with the issue, for the time being at least. And so my answer to your question is that of my own, and I think it can be done through close cooperation/collaboration between our two governments for making a kind of roadmap. And then we will ask China to jump on it and walk together for the peace and prosperity of Northeast Asia. Of course, the devil is in details. And unfortunately, I cannot go further.

Session I & Luncheon Keynote

Report by: Elizabeth Yang, Research Intern

Session II: "Northeast Asia and the Alliance"

Dr. Michael Green, as moderator, began the discussion by stating that the vast number of different ideas in Northeast Asia regarding its past and future brings confusion and obstructed effort in finding a diplomatic solution to the North Korean issue. He believed that it was difficult for the major powers to align on North Korean nuclear problem because of these differences, leading North Korea to use these fissures and splits to its advantage. Green emphasized that the ROK-US alliance is one of the most important elements of how the power will play out in Northeast Asia.

Professor Joon-Hyung Kim argued that there are two main variables to the ROK-US relationship: 1) doubt between alliance members and 2) divergence over North Korean policy. He mentioned that the trilateral cooperation between Japan, US and Korea, excluding China, was a problem.

Laura Rosenberger then discussed the importance of US leadership continuing to express the values and rules it has worked so hard to convey over the past few decades. Rosenberger was worried that if US commitments to Korea ever became in doubt, China's hands would be strengthened, a greater economic dependency between Korea and China would emerge, and Seoul would be less able to resist the kind of pressures seen from China. She argued that progress has been made on trilateral cooperation, which she believed is incredibly important in dealing with the NK crisis, in managing the rise of China, and in securing US interests in the region. Rosenberger emphasized that the role of Russia in the region should not be disregarded and was extremely optimistic about the US-ROK alliance and the Northeast Asia region.

Dr. Heung-kyu Kim emphasized that the US and South Korea should carefully evaluate China's foreign policy shift under Ping and its implications, as it may bring about greater cooperation with the US. He agreed that trilateral cooperation between the US, Korea, and China matters for the stability and peace of Northeast Asia, and suggested that both leaders assure China that they

would not utilize defense against China and not see China as an adversary. Dr. Kim argued that the Alliance must alleviate China's worries that NK policy would not create a NK regime/state collapse nor reunification, and that they need to increase mutual trust and establish a strategy dialogue.

Dan Blumenthal stated that it was "mind boggling" that NK is not formally considered a terrorist organization or rogue state, and claimed NK is not a state in any real sense of the word. He argued that Korea, as the "geopolitical cockpit of history" explains China's reluctance to the reunification of Korea under the ROK. He added that the US had dropped the ball on values and leadership because it hasn't employed a humanitarian policy that depends on both sides of the peninsula. He concluded by emphasizing that we are getting to a heavily militarized Northeast Asia, with distinct possibilities for nuclear breakout and offensive strike capabilities, and that without an end state that leads to reunification and demilitarization, he thinks it could be very dangerous over the long term.

Concluding the introductory statement round, Dr. Yul Sohn began by advocating broadening the scope to collaborating with Japan on multiple other issues in the region. He mentioned that the history problem continuously drags down the future of bilateral relationships, and that Japan-Korea relations has been characterized by bilateralism, overshadowing specific historical matters. He outlined two challenges:

- 1) The lingering bilateral problem derived from history in Japan (ex. Comfort Women issue).
- 2) The trade issue.

He argued that both leaders need to act to sustain the liberal trade regime in Asia, and emphasized the importance of trilateralism for NK issues.

Dr. Green then asked the panel what they would want to see as the end state in the Korean peninsula.

Rosenberger answered first, identifying reunification and denuclearization, with the rules and norms she believes will continue the peace, prosperity and security of the region. She remarked however, that this was very aspirational.

Blumenthal also mentioned reunification, with the democratic rule of the ROK, adding the importance of an alliance with the US. He remarked: "I don't think one can say the US is pushing values in Asia when Korea is one big slave labor camp." He added that for now, we should push China to do more in Asia and to be much more nervous about Russia as it currently is.

Professor Kim, on the other hand, argued that reunification is far away. He emphasized that the

dilemma is between peace-management and the balance of terror/security dilemma/arms race, and that for President Moon, peace comes first, reunification comes in the process. He mentioned that pride among conservative Koreans is weapons, but argued that Koreans don't want to live in a terror kind of state.

Dr. Heung-kyu Kim followed by also arguing that a unified, denuclearized, and democratic Korea was his perception of the end state. He later mentioned he had confidence in the capability of the US to convince China to accept the reunification of Korea.

Blumenthal disagreed, in that China currently does not accept this. He therefore argued that the policy is to attempt to tie North Korea around China's neck to the point that China feels pain over North Korea. He followed by saying we may have to give China reassurances about what we do with Korea militarily.

Rosenberger then responded by arguing that US and Chinese interests are never going to align, and that US leadership is always going to have to be active. She said she was doubtful that China could ever be reassured about a regime change in the North, as it is regime threatening in China's eyes. She argued that increased pain for the Chinese is necessary, and that any US-China direct dialog would need South Korea as part of the conversation.

Professor Joon Hyung Kim mentioned he was also a bit pessimistic, because of the great difficulty in cooperation between US and China, and said: "It's not going to be easy. These are all strong leaders unwilling to consolidate their power."

Dr. Kim interjected by saying open communication was absolutely necessary.

Dr. Sohn followed by arguing that state powers in the region need to establish an economic cooperation network and revitalize the trade networks as a cushion. "It's not just strictly security issues."

Dr. Green, concluding the discussion, argued that the US and the ROK appearing to be diverging over the long term view would enable Chinese decision making to stall and decision makers to think that time is on their side. In his opinion, it is vital for the US and Korea to have dialog, as many in NE Asia think the US-ROK alliance is much more wobbly than it is and that there is much less solidarity than there is.

Q&A

Q (Tim Shorrock, The Nation): I have a question mostly for the Korean panelists. I spent quite a few months in South Korea recently within the last few years, and I have never heard Koreans talk about forced unification under South Korea. I hear Koreans talk about wanting to visit their families, wanting to have unification in some way, not forced unification under US pressure with

US troops throughout South Korea, that's not what most Koreans I encounter say or even think. How do you Koreans view that? This doesn't seem to be a very reliable policy.

A (Green): Well, I'm glad you don't hear that because you didn't hear it on this panel. I didn't hear anyone say we should force unification with American troops everyone on the peninsula but it's a good question. We're talking about the end state here. (Cross talk.) I'm trying to separate the end state from the tactics, and the policies for a moment, but I'll ask if any of the Korean panelists want to answer...Of course we know from the Korean public there's no consensus on this at all. Professor Kim?

A (Kim HK): I don't think the US is willing to take this kind of option as well. This is not an option. And if you are very close to the North Korean artilleries, then, within 40 km, the million people living over there, the Korean economies, and messing in the way of Korean artilleries. Also, in the 20th century, we can find that there are better alternatives and the US and South Korea can find a way out, and this is what I believe. So, I don't think it's this moment's option.

Q (Stephen Lande, Manchester Trade): Two quick questions, but much more based on today's news. Everyone talks about President Trump talking about fire and damage and the picture is that President Trump talks about bringing fire and damage to North Korea, and everybody speaks about the ability of North Korea to rain rockets down on Seoul, and have a tremendous casualty rate at the end of the first day. And the second issue is not talked about but it's thought about, and it's the idea that maybe China, perhaps with the US, quietly will go into northeast North Korea and try to destroy the North Korean nuclear facilities if they really are able to develop a bomb. Quick question, how is that felt, is there a possibility of this fire and damage on either side, and two, is there the possibility of a very quiet Chinese-US agreement to perhaps knock out the nuclear facility before it really does create something that can be delivered to any place?

A (Green): So odds of a, I guess you mean a preemptive strike.

A (Blumenthal): If I could, it's an interesting point you raised, so, this is not a static issue, by any stretch, so, unification or changes, one way or another, are going to happen, I think, either because of an intense pressure by, on a global embargo that cracks the Kim regime, if we do all these things, that we were suggesting, and China is going to go in and take care of its interests, I think, no one of us have any doubt about that, and part of the reason China has invested so heavily in North Korea particularly in some of the national resources areas is because they're slowly, in my view, carving out a sphere of influence on the peninsula, whether we think that unification is the strategic end state or not. So, the reason I think Korea is always the geopolitical cockpit and the reason great powers fight wars there, is because, you know, China will do what it believes is in its national interest, whether we get our act together or not. If Kim starts to crack, if they can't stand him anymore, they may do things unilaterally, and we have to be prepared for reunification or regime collapse no matter what. On preemptive strikes, I hate to

say, it's very unlikely, it's extremely unlikely.

A (Kim HK): Of course we have to prepare for the continuous situation, especially the worse scenario. We will fight back if North Korea threatens us with nuclear weapons. But, before, we have to think about the better options. I question the American side on whether you are really willing to have preemptive or preventive strikes, are you capable of that? I recognize where the nuclear bombs are located, or, otherwise, it's kind of insane to have that kind of option. So that's my question. China, also these days, increase their military preparation to control or manage North Korean WMD, which is closely located to the Chinese border. I am quite sure they are doing exercises. But the key question is whether the United States and China have the kind of compromise as to who is going to be in or when they're going to take that kind of action. It is still without that kind of consensus or agreement. Who is going to take that kind of initiative? This is my question.

A (Green): Basically, I would agree with Dan, it's very unlikely. Your question was, is the US capable of a preemptive strike? Absolutely yes. Your next question is do we know where everything is and the answer is absolutely not. So a preemptive strike would be less than effective in terms of eliminating the programs and threat, and of course there's an enormous risk in terms of the danger of a wider war. That said, I personally believe that, if Hillary Clinton were president right now, or Jeb Bush, or Marco Rubio, they would also be sending very, very tough deterrence messages, and they would also be deploying strategic assets in the US-Korea exercises. And they would also be looking at preemption options. Because, this has reached a stage where, it's the only prudent thing to do, and, we, the US and the ROK, need to demonstrate clearly that even though Kim Jong-un may have some new capabilities, it has not changed our fundamental commitment to defending the Republic of Korea and our interests, and that we are fully prepared, as the Chairman of the Joint Chiefs of Staff said, to go to war, as we always have been, this doesn't change that at all, so, a lot of the sabre rattling you see, although it has a little bit of a World Wrestling Foundation feel when it comes on Twitter, is actually I think probably the kind of prudent deterrence message that any administration would have done at this point – Laura is shaking her head – stylistically maybe.

A (Rosenberger): Well, I was about to say, I can confirm in fact – no you can't set aside the Twitter because he's the Commander-in-Chief, he carries the strongest possible weight, and as you were saying, they are heard more loudly in Seoul than even here, you cannot put his words aside. I can confirm that all of those options that you laid out would have in fact been part of, or at least were in the planning and transition documents, for a Hillary Clinton administration. And so, in terms of where we are strategically, I think that that's absolutely the case. My biggest concern, and this relates to the Twitter phenomena, I do think we would be sending very clear deterrent messaging, but, deterrent messaging in order to be effective, has to be credible, and it has to be consistent and it has to be clear. And what worried me about what we have seen, is that it has been mixed, it has not been clear, nobody really knew what "fire and fury" meant, nobody really knew what "locked and loaded" meant, nobody really knows what many of these things

mean, I'm not even sure the President himself even knows what he means by that, and I think that's incredibly dangerous. What I worry about is not actually, either, North Korea taking preemptive action or whether the United States should actually be exploring these actions, but they are very bad options. What I worry about most is miscalculation. There are two miscalculation scenarios that worry me the most. One is in fact because of a lack of clarity in deterrent language, that something is said that is misinterpreted potentially in Pyongyang. And so something is said that leads Kim Jong-un to believe that a US strike is imminent, whether it's decapitation, or some other strike is imminent. And so Kim Jong-un acts out of what he believes is preemption. That I think is a very dangerous scenario. Scenario number two, is in fact, whether, you know, since it's always been so dangerous for North Korea to be obtaining this capability, is in fact not that it would necessarily use it, but it increases the risk of North Korea taking conventional action against the South. So whether that's like the torpedo shelling or some other kind of activity, I think that we have seen the risk of that go up incredibly, as this capability has developed. And so in a time when messaging is unclear and there's a high risk of miscalculation, this is why I think alliance coordination is of utmost importance right now. What we can't have is for some scenario like that of conventional action against the South to take place, where the US and Korea don't have a clear expectation of exactly what the response is going to be and who's going to be backing up what commitment.

A (Blumenthal): On the credibility question, where I thought we might be going is, we have decimated our military for the last, eight years. To a point where it's going to take a long time to build it back up. So for those who argue for a containment deterrent strategy, we are well behind the curve on missile defense, decimated in the last eight years. Well behind the curve on everything from tactical aircraft to long-range strategic bombers, well behind the curve on enough marine and army units in place to do the WMD stability operations, and actually, that is one of the legacies that hurt us the most, I think, for the past eight years, and I don't see any improvement along the way, and so, the South Koreans are asking for all kinds of assets to be in place right now, not to mention that we thought over the last eight years, nine years, that we were going to, and we did, we cut our nuclear arsenal and nuclear weapons would become less important. The South Koreans are asking for a lot of strategic assets to be in place, we can probably get them there, but at a huge risk to other parts of the world, and, I think that's discussed enough. Congress and the President have a chance to fix this now, but it's not been fixed.

A (Kim JH): Americans are surprised, you know, why Korean people are so calm, even in the crisis. There are reasons, because if it's war, it's the end of the day, because whether it's the nuclear bomb, or other conventional war, this is why this crisis is not different from old. We have been in the same situation for the last half century, maybe we're immune. But these days, we really start to worry because of the Trump factor, not the Kim Jong-un factor in a way. So really, President Moon lamented a few days ago, he said, President Trump can say whatever he wants, from preemptive strike to peace and dialogue. If I say something different, and I'm not considered as, even if I'm declaring peace, and no war without our permission and things like

that. So I'm asking, to him, to Trump, unpredictability of the policy may be his strength. But at least for the alliance, it's not good. At least he is concerned, at least it's predictable to Korean policy makers.

A (Sohn): I think, here, the North Korean issue now, we are entering a new phase in which the United States sees this as a national security issue because of the missiles and everything. So there's a discussion over surgical strikes and others, but to many Koreans, the North Korean issue or the problem is not only a national security problem, but also it's an economic problem of North Korea, there's the human rights problem, there's many other things together, so we have to solve not just North Korean nuclear missile problem, but also the North Korean problems per say. Then, surgical strike, or this kind of military action, maybe is a partial solution but is not the ultimate solution. So that kind of discussion or discourse of these surgical strikes or debates are kind of giving you a sort of cleavage of interest between South Korean people and American strategies.

A (Green): So I think we're all in agreement that the sort of robust deterrence posture was inevitable given North Korea's action, short of anyone but Bernie Sanders being elected, and maybe even then, I won't put you on the spot on that one, but the tweets and the declaratory policy are a problem. Are you (Rosenberger) worried a little bit that Kim Jong-un might believe it? I'm actually worried that he won't. I worry about the sort of inconsistency of the manner of the president's declaratory policy. Actually we have been using what is the source of immense power, which is the voice of the American Presidency. I also worry, I think we all do, about the position this puts President Moon in. I remember well, as would Dan, that the Bush-Roh Moo-hyun years, there were some pretty big disagreements between the two Presidents, but for President Bush's part, he never voiced them in public, never. I think President Trump is going to have to, and his team is going to have to, and maybe this most recent phone call is an exhibit of that, exhibit a lot more discipline in how we talk about our ally, because as we were talking about at the beginning of this panel, the other big players, China, you mentioned Russia and Japan, to the extent the big players are on the Peninsula, not to mention Kim Jong-un, think the US-Korea alliance is kind of in flux, or that we're not united, we really, really weaken our hand, and of course Korea's as well, so the declaratory policy does matter.

A (Blumenthal): I would take issue, I don't think the declaratory policy has been, I think there's inconsistencies in timing with KORUS and all of that, but as I said before, first of all, I would say two things, and it's a problem of a strategy of long term deterrence with Kim, we have no idea what deters Kim Jong-un, no idea. And that's very scary. When people bring out the Cold War, it's very Revisionist. We knew Stalin, Kennan lived in Moscow for twenty years. They were a Cold War ally, we had some sense, and even then they were near misses, so to sit here and say that the declaratory – and I don't mean to make light of what you're saying, but to say that the right declaratory policy will deter Kim, I don't agree with that at all.

A (Green): I'm not saying that at all, I'm saying the wrong declaratory policy will

weaken our deterrent posture.

A (Blumenthal): I understand that. What we need to do, what we have done effectively, is scare China. And I've never seen China this scared on this issue before in my life. And what we need to do to get to the strategic end state in my view, that we all agreed here, on unification is to have China very, very scared and on its heels.

A (Green): So this is a really important question that leads back to our original geopolitical discussion. You used the word "scares" China. I wouldn't, I wouldn't substitute "incentivizes" China, motivates China, shakes China out of its complacency, out of calling for dialogue standing on both sides. What does that? Fear of a US attack does that. I think that's sort of where you're going. I think what does that is recognition that contrary to some strategic expectations in Beijing, US alliances are getting stronger, not weaker. There's a tension between those two, as if the belligerent rhetorical line is not credible or if it creates tensions with Seoul, we may win in the short term in the being scary about preemptive strikes, but lose in the longer term in terms of solidarity of our alliances. That's a very subtle balancing act, which comes back to the theme we keep hitting on, which is why these two Presidents have got to get in lock step, and our two governments have to be on one page on this going forward.

Session II Report by: Chloe Pulfer, Research Intern

Session III: "The Future of US-ROK Economic and Trade Cooperation"

Tae-Ho Bark began the forum by highlighting the recent developments on the KORUS FTA. It started its implementation on March 15, 2012. The KORUS FTA seemed to be working in the right direction as a mutually beneficial trade agreement, although occasionally there were a few concerns raised during the process of the implementation. These days, however, President Trump views the KORUS FTA to have serious problems. A special session of the Joint Committee was held in Seoul between the USTR, Mr. Lighthizer, and the Korean trade minister, Mr. Kim, last month. President Trump will talk about the KORUS FTA again this September, with his steps including the possible U.S. withdrawal from the KORUS FTA.

In-Soo Kang

Kang said that KORUS FTA has brought economic benefit to the two countries over the last five years. However, President Trump consistently mentioned some negative remarks about the KORUS FTA. Therefore it is inevitable to modify KORUS FTA at this moment. In order to do this, it is necessary to conduct joint research about the results of the KORUS FTA for the last five years. For comprehensive judgment, not only the commodity trade but also service trade and direct investment and job creation should be analyzed. In addition, the reactions, the responses of the Korean private sector and the government sector and also the government and American industrial sector should be considered. Based on the fact, KORUS FTA should be proceeding in

a more future-oriented reciprocal way.

Balance Sheets of KORUS

Kang said that Korean export to America has increased a lot from 38.8 billion in 2009 to 71.6 billion in 2016. However, since there are many other factors affecting export, it is not reasonable to see the increase in trade simply as a consequence of FTA factor. In the fast export growing industries, such as automobiles and general machineries, the US also increased the import from other countries. It means that the increase in Korea's export to America is also due to cyclical factors, which means the demand for automobile and general machineries increased as the U.S. economy recovered. In case of automobile, most of the tariff cuts were made last year. It means that there's no tariff cut in auto sector for the first four years

Kang highlighted the market share of each country in other country's market. Korea's trade surplus for the US expanded from 11.6 billion in 2011 to 23.3 billion in 2016. Despite the global trade slowdown, Korea and the US have increased their market shares in popular market. During this period the share of the US in Korea's import market increased by 2.1 percent point from 8.5 percent to 10.6 percent. And the share of Korea in the US import market also increased by 0.6 percent from 2.6 to 3.2 percent. The US has about 20 FTAs, but only four FTAs increased the market share of each country, including Chile, Peru, and Korea. In the case of Korea it is important as the scale is quite big.

The USTR 2017 report on trade barriers across countries also gave a positive overall picture of the KORUS FTA. The service export of the US to Korean market grew by 23.1 percent. Manufacturing export grew by 3.8 percent and transparency of the Korean regulatory system increased. In addition, nontariff barriers were eased to improve market access before the KORUS actually took effect. On the cumulative trade balance, Korea's service trade with the United States recorded 14.1 billion-deficit in 2015. Korea's foreign direct investment into the United States has increased significantly since KORUS FTA took effect, ranking the first among foreign investing countries in 2016. The top-tier Korean companies that invested in the United States have created about 37,000 jobs, and the average wage paid by a Korean invested company was about 10,000 higher than other foreign invested companies. It created good-quality jobs. It is not like the work Trump mentioned, said Kang.

In addition, while the cumulative amount of direct investment of the United States into Korea was 20.2 billion for five years, Korea's cumulative direct investment for the same period into the United States reached \$51.2 billion, more than 2.5 times higher. It implies that the economic benefit is quite evident overall. Therefore, we need to evaluate achievement of KORUS in a more broad sense, said Kang.

Responses of the Korean and American Industries

Recently, there are more organizations and associations in the United States and South Korea which openly express their opposition to the FTA amendment, said Kang. In addition to the US

beef and pork producers association, which has increased its export to Korea, the US Grains Council, USGC, expressed their concern about the amendment of the KORUS FTA. The US Chamber of Commerce also said that most US companies do not support renegotiation or termination of KORUS FTA. They believe, in general, the KORUS FTA is working relatively well. The US business community has clear position to the managed trade that forces US products to be compulsory bought. With most mainstream economists, it opposes the claim that KORUS FTA is the cause of significant trade deficit of the United States. In addition to this, there are several other survey results about the KORUS FTA. According to the recent survey by KITA, the Korea International Trade Association, 70 percent of 250 Korean firms which invested into the United States have difficulties in making business plans due to increased uncertainties after President Trump's Inauguration. Fifty-seven percent of the responding firms negatively evaluate the trade policies of the Trump administration. The enforcement of import regulation, levy of a border adjustment tax, renegotiation of NAFTA are likely to have a seriously negative effect on business. The Korean petrochemical industry do not seem to have serious damages caused by KORUS modification, because the size of Korea's export to America is only 1.74 billion, which is 10 percent of Korea's export to China, and most of the major petrochemical products are already tariff-free, even before KORUS FTA took effect. However, there could be indirect negative effect if the US levies high tariffs on Chinese product.

The Korean government submitted an analysis to the USTR, saying that the KORUS FTA has resulted in an increase of export to 40 out of 50 US states. The Korean government has particularly emphasized the fact that Rust Belt industrial zone, which is epicenter of transport, benefited from KORUS. There are 14 states that have increased their annual export to Korea by more than 50 percent annually for the last five years. In particular, those of Pennsylvania, Ohio, Wisconsin and other areas increased by 45 percent annually. The Korean government wrote that the average export growth rate of the US 50 states were 19 percent per year, and the Rust Belt region are particularly beneficial. In conclusion, there were some mutually beneficial results of the KORUS-FTA.

Scott Miller

Miller pointed out that when they start a discussion of economic cooperation between the United States and any other country, South Korea in particular, they would begin with thinking about the US economic policy, the US administration's trade policy and economic policy. He emphasized that whatever the US administration's economic policy is, it is more instructive and more predictive to look at their narrative on the subject and communication. Miller said that Trump administration operates largely off a narrative used frequently in the campaign and used repeatedly since taking office. That narrative is very common in almost any kind of communication. It is a story that helps explain why you are doing what you are doing. The Trump policy for the narrative is actually pretty simple. President Trump and his team tell a story that past administrations have been inattentive to the interests of Americans and given too much access to foreign governments, with too little in return, said Miller. He said it was a campaign theme and has been repeated. There was a debate on the Tariff Act in the Congressional Record

of Andrew Jackson's administration about 200 years ago. Senator Henry Clay took to the Senate floor and criticized "European pauper labor" and that low labor costs in Europe were a burden on American workers and therefore needed to be corrected. In 1820, US labor costs were higher than European labor costs. There are actually good reasons for that. But that was the theme of unfairness. It has repeatedly used and has been used almost in every political ad about trade policy. Usually it is blaming foreigners for cheating, but it plays on the sense of unfairness. Now the fact that a narrative works politically is not surprising and that is why politicians use them, said Miller. Narratives run into trouble when they are disconnected from the underlying commercial realities, at least when it comes to economic narratives. And that is where the tension arises with the US business community and others with respect to the Trump trade narrative. When corporate executives or agriculture group executives talk, they usually do not talk about trade deficits or balance. They will talk about competitiveness or improving global operations or improving customer service or having contestable markets, which are actually really important things in the real economy.

What we have now is a disconnect between people in the real economy, most importantly American business, American agriculture, which look at the KORUS FTA as a good agreement, and they like the stable set of rules. They are finding ways to benefit from it. They like the fact that markets are more contestable. They might find improvements as well. Importantly, it does not have anything to do with the narrative that the president talks about of unfairness and the narrative of needing balance. This disconnect will not long persist, and there is a reason for that. The main reason is that while Congress has delegated enormous authority to the president over time, they retained for themselves the power to regulate foreign commerce. President Trump and his team take their issues of unfairness and renegotiate KORUS FTA. However they do it in a way that is inconsistent with the actors in the real economy, which ultimately would help form the political coalition to convince the Congress to approve the changes. The previous administration spent five years negotiating an agreement that wound up back in Washington with too little support from the commercial actors involved and was never even presented to the Congress.

This week, in the NAFTA negotiations, one of the most sensitive issues is automotive rules of origin. The auto industry is quite large. It is quite specialized across the three NAFTA economies. They are highly productive and globally competitive as a result of that specialization. And behind the NAFTA preference, in order to qualify for the NAFTA preference, a vehicle must pass 62.5 % regional content to qualify for the preference. The US auto industry says that 62.5 % is a good number and they want to stick with it. The Canadian auto industry says that they like 62.5 % and the Mexican auto industry say that 62.5 % works for us. At the negotiating table over the weekend, the Trump administration proposed something in the neighborhood of 70 %, but something different.

But at some point the real economy and the narrative have to merge. They have not merged yet and that creates the friction. That creates the sparks that are flying off a lot of our trade relations

at the moment. There are a couple of suggestions:

1) Clear Implementation Agenda: If there are still unresolved issues in KORUS, put together a plan to resolve them. Fix it, make it work, and satisfy people. Show progress because progress is an important balancing narrative to the concern of unfairness.

2) KORUS FTA is Not the Whole Story: We should not get stuck on an agreement that was signed 10 years ago, representing commerce from a different era. Lots of other things are going on now. There are lots of ways to boost competitiveness in both countries and make markets more contestable and available to players that would be good for growth and competition.

Byung-II Choi

What's Wrong with KORUS FTA

The reason why KORUS FTA has been on the limelight again is because of the US accusations, mainly about a sudden unexpected rise of trade deficit, which is unfavorable to the US side. But somehow that trade deficit discussion has been transformed into issue-related implementations. The Korean side has been accused of not playing fair, mainly related to automobile regulations and of trying to come up with some imaginative and creative regulation which is going to eventually impede the US terms or condition to Korean market. In addition, the US thought that Korea is going to fully liberalize the illegal service and make it to 100 percent ownership. But what the Korean government did was 50-50 joint venture, and still they are saying that it is up to the spirit and the letters of the KORUS FTA, and some other issues such as digital trade and custom clearance.

If we focus on implementation, Korean negotiators also point to the US side, said Choi. He said that if we try to play with unfairness issues, burden of proof falls clearly on both sides. Although the implementation issue has been resolved to US satisfaction, it is not going to resolve the trade deficit issue. Therefore, if the US wants to achieve their negotiating goal, then they have to rewrite terms on trade, which is something related to KORUS FTA, but again, they require some managed trade. Rewriting KORUS, and changing terms of trade, market access condition is not going to solve their own problem. Therefore, what should happen is something like what happened between US and Japan back to 1980s. Korean side should import more from US side outside of trade agreement, and Korean side should export less to the US outside agreement. We should not play by rule, but we should play by some additional deal. System is changing from rule-based system which US has been advocating for a long time to deal-based system.

Eventually the US will talk about currency issues. For instance, they are going to argue that they have to stop Korean government intentionally undervaluing US currency. If that happens, it is like opening the Pandora's Box. Trade agreement is talking about currency-related issues. With that said, we will get to open up uncharted territory in world trading system.

What Happens If the Trump Administration Terminates KORUS FTA?

First of all, it is not going to serve US economic interests because Korea is very much opened and a competitive place. Korean government, in past 10 years, they negotiated FTA with more or less 50 countries. So Korean market is very much open, especially to Australian farmers, Canadian farmers, New Zealand farmers, and European Union farmers, which implies that the termination of KORUS FTA is not going to serve the interest of the farmers in the US. Automotive sectors also have been complaining. If Korea's 8 percent tariff on automotive is jacked up again, this is not going to serve US interests. Pharmaceutical sector will not serve US interests as well.

We heard a lot about strategic implication these days. The US and ROK are showing more divergent views on their alliance. KORUS FTA negotiation took almost five years from inception to complete and they had additional renegotiation. During those five years, ROK was divided in half between pro-KORUS FTA and anti-KORUS FTA. Terminating the KORUS FTA is going to send very clear signal to those people. Many Koreans believe that American soldiers might have to withdraw from their continent, but in that way, they will end up claiming that they need to nuclearize themselves, said Choi. It is going to be really badly serving US-ROK alliance. In addition, it is not going to serve US strategic interests because one of the most important US strategic goals in terms of grand strategy is to engage China effectively. It would send a very clear signal to Beijing that Seoul is going to be a closer orbit of Beijing. Therefore, it is not going to serve US interests. If President Trump is willing to walk away from KORUS FTA, then this is not going to make America great again, as he promised, said Choi. Ha said that this is a really bad economic policy and terrible diplomacy.

How We Can Change Subject More Constructive and Mutually Advantageous

US might want to rewrite KORUS FTA, but Moon administration would want to defend KORUS FTA as it was agreed. Those two approaches are quite compatible because it has been negotiated more than 10 years ago. Now we are experiencing the evolution of economy. Now it is time for the upgrade between two states. At the same time, it is time for expanding. If we are really concerned about how we can effectively deal with the rise of China or assertive China, it is time to think about having more competitive and open East Asian economy with US presence. Therefore, one step toward that direction is to invite Japan to create US-ROK-Japan economic agreement, aiming at embracing China eventually.

Wendy Cutler

Cutler said that KORUS FTA was a win-win agreement and that benefits from this agreement are flowing both to the US and to ROK. Although the current administration is trying to withdraw from this agreement, this is possible under the agreement. The US and ROK negotiated 10 years ago a provision which allowed either party to notify the other country of its intention to withdraw from the agreement, as long as it provided a six-month notification period.

Factors Motivating the Trump Administration

1) Displeasure Expressed by President Trump with KORUS FTA: It started on the campaign trail, and it has continued. President Trump views this agreement as unfair, failed, and unbalanced, said Cutler. The good news for Korea is that they are not alone. There are other agreements he views in the same light.

2) NAFTA Factor: Trump administration might have wanted to withdraw from NAFTA, but President Trump has repeatedly told that he cannot do that as the economic stakes are too high and economies between Canada, Mexico and the US are too integrated. Therefore, somehow KORUS FTA became the second best if withdrawal is on the radar screen, said Cutler.

3) The outcome of the meeting in late August between the US and ROK: The meeting resulted in an impasse between the two sides. They had very different views on whether KORUS FTA has worked or not, whether KORUS is responsible for a growing trade deficit between the two countries, and what, if any, steps need to be taken.

4) Negotiating Tactic: The US might be discussing withdrawal as a negotiating tactic, which will allow the US to get more from Korea in any upcoming renegotiation.

Suggestions

1) Open-Eyed Discussion: Korea has put forward a proposal for some kind of joint study on the sources of the bilateral trade deficit, and also a discussion or analysis of the benefits of KORUS FTA. Both issues merit a discussion, but I think both sides need to go into such a discussion open-eyed. Both sides can deepen their understanding of each other's positions, and that will allow them, then, to work together to address each other's concerns.

2) Laying out Concerns with the Agreement: It is important that each side lay out its concerns with the agreement. After the concerns are laid out, both sides should discuss the best ways to address them.

3) Implementation: Many of these concerns can be addressed through better implementation of the agreement. One of our frustrations with the KORUS FTA is that many Korean Ministries were intent on implementing the letter of KORUS, but not the spirit of KORUS FTA. That has led to many of these implementation problems, said Cutler. With a new administration in Korea, a new trade minister who has a reputation for a hard charger and someone who has worked effectively with other ministries in the past, there's a good opportunity for the administration in Korea to take a fresh look at these implementation issues and find a way to solve them and address the US concerns.

4) Open Mind: Both sides should keep an open mind about whether certain amendments are needed to the agreement. Cutler stressed that it would be a two-way process. The US needs to expect that Korea also may have suggestions for amending the agreement, and both sides should be open to that discussion.

5) Update on KORUS FTA: Most of this agreement was negotiated 10 years ago, so it is appropriate for both sides to think of ways to update the agreement in ways that could be very win-win. The issue of digital trade, where the US and Korea share many interests and objectives

could be put on the table and would lead to a very constructive discussion.

6) Notice on the NAFTA Negotiations: It is important for the US to update Korea on the NAFTA negotiations since many of the issues appear to be raising with Korea. That type of discussion will also help both sides find a way forward.

In conclusion, both sides need to get back to the table. Withdrawal will be a policy decision we will regret for numerous reasons, said Cutler.

Q&A

Q (Kang, In Soo, Professor at Sookmyung Women's University): What is the object of President Trump when he talks about balance and unfairness? Other than the political reason, what is the other reason for this kind of mention?

A (Scott Miller): This is his rationale for his policies. I can tell you that they have been consistent for a long time. So it is relatively predictable narrative on his part. He has believed this for a long time. That is where he is. So what is our job? Those of us who differ with the president, we have a responsibility to convincing him to the contrary that what he is intending would be bad policy and there are better policy arguments. That is really all our jobs in a democracy when our political leaders are on the wrong course. It is our job to find ways to change the course or persuade them differently. For instance, in the tweet storm over the weekend, the best statement was made by Senator Ben Sasse. Senator Sasse, the senator from Nebraska, important agricultural state, basically said that the Trump administration is pursuing 18th-century thinking with their trade policy because they construe it as a zero-sum game. Senator Sasse went on to say that Nebraskans know that trade is mutually beneficial, it is win-win, and we wish our president would agree with us. I think there is an opportunity to persuade, which I personally have not given up on. But I think it requires not accepting the premise that you know is flawed.

Q (Kang, In Soo, Professor at Sookmyung Women's University): I am not quite sure what the consequences of Trump's argument are going to be if he can make it.

A (Scott Miller): He can make it. The text of the agreement gives him the authority to withdraw. However, I personally do not think it is quite that simple, because to eliminate the tariff preference, it would have to be eliminated by an act of Congress. No president can change a tariff schedule. That part would not be self-executing. And I have noticed that federal courts are pretty anxious to weigh in on many of the administration's decisions. I would say there is plenary authority for the president to restrict migration due to national security reasons, but the 9th Circuit disagreed and stayed an order. So lots of things could happen to this. But I wouldn't worry too much there. I would rather worry about building an alliance with the American

companies who are invested in Korea, the traders, the people who are active in this relationship and looking for ways to say what can we do in concert, what can we do together to improve the conditions under which market competition happens, to look for ways to make markets more contestable to benefit our citizens, and have a positive agenda that is the real counter to the claim of unfairness.

Q (Steve Landy, Manchester Trade): Let me put some ideas that you may find useful in terms of dealing. President Trump made a big deal about two or three kind of controversial decisions when companies decided to invest in the US instead of investing in Mexico, if you remember, at the beginning, even before he was the president. So again, given the Korean companies and so on and what they do, I do not know what you can do in terms of managed trade. I do not know if you can bring US brands over to Korea and try to sell them. Again, it may not make sense, but if you can have some success stories that the private sector generates, it will be unbelievably effective. I know it is not trade negotiations.

A (Wendy Cutler): In terms of the other suggestions that were put on the table and this idea that, you know, from a political point of view what is – what does the president get out of all of this, you know, we should kind of rewind the clock to late June, when President Moon came here. And my sense was the meeting went very well between both our presidents. And President Moon brought a lot of corporate executives with him, and they announced large plan – plans to make large investments in the US. And so, you know, that is out there. And I think 2016 was a record year in terms of Korean investments in the US. And these are not just investments. These are investments that employ tens of thousands of Americans. So given the new plans, I think that was very well-received by the administration. And then somehow, at the end of the meeting, you know, the president referred to a KORUS renegotiation and even hinting that it was already underway. And my understanding is, that kind of left the rest of the people that work for him to kind of catch up with him, and therefore to request this special meeting with Korea under the agreement. Also it is a very different world when I negotiated with Korea than when Steve did, and I think it is a very different world today than when we negotiated KORUS FTA in 2007. Import penetration in the Korean automotive market is now 1-5 percent. It was 5 percent 10 years ago. It is hard to say that market is closed now. I agree that there are probably unnecessary regulations and probably improvements that can be made to make it easier for US companies to operate in Korea, but 15 percent market share and a growth of 10 percentage points over a 10-year period of time is pretty stunning.

A (Choi, Byung-il): US Congressman Ed Royce came to Korea a week ago, along with three other congressmen. And when he met President Moon, he talked highly about Korean company making investment in his district to come up with many manufacturing jobs employing American workers in producing Korean dumpling food. So that makes of certain interest. I think similar thing was happening when President Moon was coming to USA and he brought a lot of Korean businessmen. So they could promise. But the thing is, businessmen are discussing whether or not Donald Trump is a temporary shock or permanent shock. Even if you promise

and even relocate a lot of business to the USA, what if three years or seven years from now, the tide is turning toward more free and open trade? Then I think they made very irreversible business commitment decisions. So that is something to think about. And I think if the Korean government is run by CEO-minded president, perhaps then he or she could come up with the kind of concession as some of panel or the audience mentioned. But the time is quite different. I like to remind American audience in this room that negotiation is not about simply exchanging deals on the table. It is also played in a context of national spirit. In Korea, there truly is a rising tide of confidence, nationalism. We believe we changed the Korean government through the democratic means. So if Korean side is making that kind of concessions, then many Korean media, some NGOs, and these grassroots are going to depict this as surrendering to US pressure and yielding to US pressure. So this is likely to be seen as something quite good to government. So government is going to play realistic politics or play with more by listening to domestic audience.

A (Scott Miller): I agree with the point that was made that you don't solve political problems with technocratic means. That is totally true. Sometimes some technocratic means can help. For instance, I think if there were fewer American interests complaining about lack of compliance with the original KORUS FTA, the politics would be a little better. But overall, you've got to solve the political problems with politics. And what I have noticed in this administration so far is the president finds sort of action plans very appealing. I would note the Pence-Aso dialogue, the hundred-day plan with China. That seems to have resonated with the president and certainly his messaging about the trade relationship with China, for instance, was much more positive after the announcement of hundred-day plan. There may be a nugget there in addition to KORUS FTA implementation issues. That is going to happen behind the scenes. Out front, something with a higher profile, and perhaps centered on Korean investment in the US because ultimately, those jobs really matter. And we will not tell the president that you increase the trade deficit when Korea invests in the US. But what you can is tangibly tie it to US workers. So I think given the rate of increase of Korean foreign investment in US enterprises, it is a strong indicator of a communications strategy to go along with it helps promote in a very tangible way US-Korea economic cooperation.

A (Kang, In Soo): About Trump's argument, what I want to say is that this year, actually the trade surplus of Korea against US has dropped a lot, about 30 percent decrease. And that kind of the changes in trade should be reflected in the negotiation. I do not know whether it is possible or not. The mutual understanding is very important. So even though it is a political reason, it should be realizing economic area. So economically, we should investigate what has happened between Korea and USA. The Korean government suggests some kind of joint research or joint investigation about the impact of the KORUS FTA.

Q (Mark Manyin, Congressional Research Service): I am wondering if the possibility of increased US sales of LNG natural gas to SK could be a possible answer to some of these questions. Secondly, does the S. Korean government have the ability to manage imports of

natural gas, for example, through KOGAS? How are S. Korean companies or state-owned enterprises' decisions on purchasing are being made?

A (Kang, In Soo): Actually, the last government announced some kind of plan to put their shale oil and shale gas. So it will decrease the trade deficit.

A (Bark, Tae-Ho): Let me also answer your question. I actually visited Houston last June. We had a seminar. And I know that KOGAS is establishing some kind of facility so they can import shale gas directly from that area. And also, SK Energy, they are investing huge amount of money in Austin and other Texas area to build their own facility to be prepared to import that kind of shale gas and shale oil. So I think this is our efforts in this investment so we can create some more jobs, too.

Session III Report by: Huiwon Yun, Legal Research Intern



DATE: October 11, 2017

SUBJECT: B.G. Muhn on Contemporary North Korean Art

MAIN POINTS:

- B.G. Muhn’s new book, “Passion, Paradox, and Propaganda: Exploring North Korean Art through Chosunhwa,” will be published by the end of this year.
- *Chosunhwa* is a distinctive North Korean style of painting that utilizes the traditional art of brush and ink wash painting on rice paper.
- Despite the limited exposure, North Korean artists achieved a unique development of artistic style and expression in their artwork.
- The four main themes of North Korean artwork include: education of the people, government, ideology, and the idolization of the Kim regime.
- Individual expression within the artwork is evident through bolder brush strokes and careful renderings of facial depiction.

EVENT OVERVIEW:

Date: September 9, 2017

Time: 1:30 p.m. – 2:15 p.m.

Location: The Art League – 105 North Union Street, Alexandria, VA 22314

Attendees:

- **B.G. Muhn**, Artist, Art Professor, Georgetown University

SUMMARY:

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B.G. Muhn began his presentation by sharing how he began to study North Korean art. After completing a solo show/project on depicting a Chinese empress, as a Korean born artist, he felt the natural desire to visit North Korea and study North Korean art. Muhn was particularly drawn to the *Chosunhwa* technique, which is a unique art technique of traditional brush and ink wash painting on rice paper. Muhn has been on nine trips to North Korea in the last six years. His new findings and perspectives are summarized in a soon-to-be-published book, “Passion, Paradox, and Propaganda: Exploring North Korean Art through Chosunhwa.”

“Chosun” means Korea and “hwa” means painting. North Korea particularly reveres *Chosunhwa* as its national art form. Most, if not all, of the art in North Korea are pieces of propaganda of the regime. The four main themes of their artwork are: education of the people, government, ideology, and idolization of Kim Il-sung, Kim Jong-il, and Kim Jong-un. All North Korean paintings of its leader follow a similar technique – soft renderings and detailed representation of expressions with certain uniformity. The leader is clearly focused in the center point while the rest of the painting is slightly more blurred. The common [Western] perception is that all North Korean figurative paintings look alike. Muhn wanted to explore whether there were other overlooked aspects or expressions in North Korean paintings that reflect individual desire or artistic expression.

Some of his findings include:

- Even in the works of propaganda, there are still various styles and varied expressions within limited themes.
- Bolder brush strokes and abstract quality of treatment within figurative paintings depict stronger expressions.
- Kim Sang-jin’s (also a People’s Artist) brought out a more contemporary look – being able to compose the image tightly and depict white spaces without it looking bothered.
- One of the most revered *Chosunhwa* paintings is by Kim Sung-min, 1980. It carries powerful and bold brushstrokes yet at the same time, shows the delicate facial emotions of smelters during Japanese colonial exploitation.
- In a painting of farmers, Muhn asked a North Korean artist whether the farmers are truly happy as they were depicted. The artist replied, “You don’t know the truth. If you come to the field of workers, they actually sing and dance to overcome hardships.” Muhn believed the artwork revealed the truth of the workers’ lives and true expression even if is a piece of propaganda.

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The technique of *Chosunhwa* painting is very meticulous. Since all of this is done on rice paper, the artists have to start over from the beginning if they make a mistake.



Tiger Dashing in Winter, Kim Chol, 2014 (Source: [Vice](#))

This painting (above) was one of the paintings shown during Muhn's presentation. He learned it took almost seven hours just to render the yellow iris. All of the white in the tiger's hair is not painted and is the rice paper itself.

Another distinctive characteristic of North Korean artworks is their huge collaborative pieces. These pieces are usually assigned to commemorate an event. In a short period of time, as many as 70 artists will work together on a 40-foot-wide painting. The painting (below) is a sample collaborative painting.



Sea Rescue in the Dark, a collaborative painting by Kim Son-kun, Kim Chol, Cha Yong-ho and Ri Ki-song, 1997, (Source: [Vice](#))

Muhn: This painting (above) is very interesting. It depicts a difficult rescue scene at night: North Korean fisherman rescuing a South Korean fishing boat, though of course it's not known to many people in South Korea. The detail of that painting includes simplified rendering of shapes and of the rescuers yet the artists still captured the necessary detailed expressions. One of my colleagues mentioned that North Korean *Chosunhwa* was probably influenced by French romantic painting (i.e. [The Raft of the Medusa](#), done in oil, by Theodore Gericault). Comparing the two, look at the angle of mast in both paintings and how the composition was made. Let's focus on raft of Medusa. In order to create visual movement in a painting, artists usually have to set up a visual focal point. In Gericault's painting, the focal point is through the dead body in the lower left corner, through the successive hats of the people which as a result, you can have striking dynamic movement in pictorial composition. Another way to see this image is the large set of triangulation stabilizes the shifting movement of the raft.

In response to his colleague's suggestion in being influenced by the style of French romantic painting, Muhn suggested that most North Korean artists are not aware of what occurs outside their society. The one magazine provided to professional artists by the Party is called the Art Magazine; this is where they get all or any information about Western art, such as Rococo and Reubens. It might have been possible they saw Gericault's painting in one of the issues.

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Regarding North Korea's art institutions, there are numerous art studios in North Korea run by the state. The most famous one is called the Mansudae Art Studio, founded in 1959. Mansudae Art Studio is known to have 4,000 members – 1,000 artists and 3,000 workers – and houses several different departments such as traditional Korean painting, oil painting, etc. At one point, Muhn had asked one of the workers how many artists were there. The worker said 700, because the other 300 artists were on overseas projects, building monumental statues and working on gigantic paintings in different countries. Since Mansudae projects are now prohibited by UN and US government sanctions, Muhn believed there would now be 1,000 artists back at the studio.

From early on, Kim Jong-il and Kim Il-sung showed great interest in art. Muhn showed a picture of Kim Jong-il attending an art exhibition in 2004; others are around him holding notebooks and pens to make notes whenever the leader gives his “on-site guidance” remarks.

Lastly, Muhn showed a picture of his exhibition at the American University last year. The exhibition included North Korean *Chosunhwa*, several large collaborative paintings, and individual pieces. Muhn shared that he had massive media coverage, not because the work is so great, but because it was so different from what is created and found more common within liberal societies.

Q & A

The audience was not directed to identify themselves so these questions are anonymous.

Q: Who is the main audience of the paintings you have shown?

A (Muhn): The main audience of this propaganda art is the nation. All the art is revered by the community, society, and the people. Whenever I visit North Korea for my research and I say I'm an artist, they say, 'Wow! That's wonderful.' Yes, art exhibitions are held throughout the nation and throughout the year, especially to commemorate important events such as Kim Il-sung's birthday and when that happens, you are free to attend but pay only 5 KRW as admission fee, which is about 6 cents in American dollars. That comparison doesn't mean much because different sides carry different value of money so anyway, you have this tiny entrance fee and you are able to see the shows freely. I witnessed even elementary school students with their parents visiting to see the show – as well as school students and professional artists. Sometimes they can learn quite a lot from the show for their own work.

Q: I'm so excited, I've never thought I would be able to see *Chosunhwa*. This is a great opportunity. I'm so proud of knowing you as a Korean. My simple question is, **have you**

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ever thought or planned to draw a portrait of KJU or have you already started to draw it?

A (Muhn): Her question is have I ever seen a portrait of Kim Jong-un or has any artist done it before so far? No, I particularly had interest in finding out that information myself so I asked one North Korean *Chosunhwa* artist who is very high-ranking in the North Korean art community. He said no, the reason is not because there hasn't been an artist who has tried to portray his image but because they already submitted many preliminary works of Kim Jong-un's portrait but he refused to be portrayed [by the submitted pieces so far]. How interesting it is, so I don't know what he's thinking. Officially, it has yet to be made.

Q: What kind of negotiations did you have to do to get these paintings? [inaudible]

A (Muhn): Very interesting question about collection. How are you going to attain some of these images? Most of what I have showed you is not allowed [to be collected] because they are national treasures, which means they are collected by the National Museum in Pyongyang. So how it works, art in society in terms of collection: most of the images as I said are national treasures which means that artists submit their work for national art exhibitions, and then once their work is chosen for prizes, then their work goes to the museum collection. And you cannot purchase that unless you have several hundred, million dollars. But there are so many other really significant paintings, especially *Chosunhwa*. You can collect those by:

- (1) You can travel to North Korea although you cannot go at the current moment. Cheap “kitsch” pieces are easily attainable in North Korea – Korean barbershop paintings – cost \$100-couple thousands, as a souvenir. Your question is actually very interesting, because the collection is demanding these days, especially China and European countries. So because of that, there are lot of fake paintings, made in China. Some by NK artists, some by Chinese artists. How can you tell if it's fake? Very difficult. So this is my idea – if you like the work whether or not it's fake, you collect it. But well done *Chosunhwa* pieces are really beautiful.
- Other venues: famous Mansudae Art Museum in Beijing, you can get pieces from there. Price range: most expensive piece such as collaborative art goes for \$300,000. High quality paintings.
- Online purchasing windows – problem again is the authenticity, how can you trust it. Price determination is difficult because market is not yet _____. Prices are usually set by international auctions, gallery shows, exhibitions outside of NK but this hasn't been done widely yet so...undetermined.

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Q: I noticed you compared one or two of the Korean paintings to Western art, I was wondering how much exposure the Korean artists get on Western art during their training or career?

A (Muhn): Artists' exposure to the outside world is pretty limited but they are aware of abstract and hyper-realism. And very interesting concept for their minds is "we know that, but it doesn't work in this society." Because people don't understand, when they see artists depict sweat pores of the skin as hyper-realism, one of the artists told me that, it's a little too much, it's not poetic, so we cannot really appreciate it. As I said earlier, there is a magazine provided by the Party for the artists, which has general information on world art which covers mostly the Renaissance Period, Rococo, individuals like Van Gogh and Reuben, but not much of the contemporary art scene because we don't try to understand contemporary art here. As an artist myself, I don't understand exactly what goes on in all contemporary artists' techniques. One thing I want to make very clear is that we want to express as an artist or individual, whatever we feel is fair, meritable, as freedom of expression, which is great. Such a thing doesn't exist in North Korea, their purpose of art is to serve the people, to serve the nation, which means most of the people should understand, through the expressions the artists create so that is why we call it socialist realism instead of socialist abstract.

Q: Thinking these are all reproductions in the exhibition that was in Washington DC, are these reproductions the same that we would see in the museum in North Korea?

A (Muhn): The show I created last year at the American University, works compose of my own purchases and I incorporated with Choson National Museum because I wanted to show their national treasure/historical content but there's no way I can bring those out so what they do is, in very pristine concept they have. When they have their own art exhibits outside of North Korea, they can take up to only 3 authentic pieces. The rest of them, they copy – exact same, maybe 1 in or 2 in smaller. The copying process of national treasure takes months and it is officially approved, so when you see the copied work, it's almost the same as the original. That's not it, they take the copied work back and preserve it, store it very carefully for the next show. One instance I will reveal to you, if you go to Pyongyang there is one fine art museum called Choson National Art Museum, The image I showed you, Cho Young-ban's "Evening Glow of Kangsan" done in 1973, displayed on the wall on the museum- few people know but it is copy work. How do I know that? That piece was exhibited in Japan years ago. And Korean Japanese thought wow, so significant and a wonderful piece. How come you guys don't put glass on it? So we're going to frame it and put glass, and under the circumstances of NK economic situation – if you visit NK art museum, there are many pieces not glassed. Sometimes there is just plastic sheet around it to protect from dust.

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Since this piece was a revolutionary piece, considered the most significant piece in North Korean contemporary art history, when the piece was returned, they exhibited that on the wall on the museum. As a visitor, you have no idea whether it's authentic or a copied version.

Going back to your question, I had to work with the Beijing Art Museum Director for several years, finally he rented some of his collection which were the collaborative large scale paintings. The rest of them I got from the national art museum in Pyongyang (copied work).

Q: This afternoon you've shown us images of heroism and courage but in your American University show, you also had very negative, bloody, or even gruesome images or depictions of American soldiers in American uniform torturing Koreans or Korean women. How prevalent are these negative images in your [travel]?

A (Muhn): Yes, I am very much aware of the content of the show you encountered. That was not my show. That was a photo show of somebody else. It was a setup, wax sculpture- it mimics the true-to-life image. Unfortunately, that was not one of the images I created.

Q: I'm wondering if there's any notion of time or modernity in North Korean art, are the artists ever struggling with that? And on the other hand, subjectively, in what time do the artists live: 2017 vs. 1970s or 1950. From the paintings, it seems very hard to imagine what time the artists live in.

A (Muhn): You're very right about that. Time in North Korea has been frozen, they don't move forward. When time moves forward, it moves forward with the environment so information in the outside world is not penetrable to the psyche of North Korea. To answer your question with one word, you're right –we cannot really tell but in current paintings, we don't see the same intensity. Current means from about two/three years ago up to now. Now, artists somehow got influenced by South Korean culture secretly or semi-officially so the depiction of what they've done so far until two or three years ago was so intense. But nowadays, we don't see those images. Personally, as someone who has been studying North Korea art, I like the old images much better because it has the core essence of social realism, which is the only country so far, producing that image currently and still doing it.

Q: We think of North Korea as a completely closed off society – here, it seems as though you're able to go back and forth, you're exchanging art, you're bringing things in and out of the country. How did this all come about? And in that context, are there any constraints or ways you need to conduct yourself to do all this.

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A (Muhn): What do you think? (laughter) Do you think I did it smoothly? (laughter) No way. I had to overcome so many difficulties. You know visiting North Korea one single time- it breaks your nerves, physically, mentally. Especially travelling from North Korea, going through the time zone is very difficult, very down situation, and psychologically you don't know what's going to happen to you while you're staying there. So at the moment of taking a plane to North Korea from China – I had to have a very different mindset. “Ok this is my last minute.” I didn't tell my family about that- I'm a short individual with a big heart and a lot of ambitions. And I don't know why I got into this business of introducing/studying North Korea art but once I arrived there, it is so quiet, so calm. [I thought] I don't have to lose anything; I don't have to worry about being attacked by anybody like street mugs and gangs; no racial issues at all. So when you get there, you feel, don't get me wrong, you feel peace. Anyways, that has nothing to do with the transactions of art for the show last year at the American University. Actually I have to start talking about North Korean authorities, Mansudae Art Studios, and Pyongyang Art University and Chosun National Art Museum in Pyongyang so many times for at least 4-5 years, and the bottom line is I had to have money. I had to purchase whatever I need to bring it to America. But I was not able to do it, because I was alone, an individual as a college teacher and as an artist, I was not able to do it. But at moments I did something really to the museum...I'm an art lover and art creator, so I brought UV protection glasses for small pieces of their Lee Dynasty paintings, which was turning into bad shape without being protected from the environment. After I saw that and said, oh this is terrible. Can I bring some UV protection glasses for these pieces – and they were so delighted to hear that. The next year, I brought three pieces of glass. It was a really heavy, black portfolio case, and I was regretting every moment through the airport. Damn why do I have to do this? My fingers really hurt at that time...Anyways I got there safely, and as a result I built my credit and trust with them so that made me easy to work with them. It's the beginning of building up that human rapport with the art staff there. In the beginning, they weren't that sure of my intentions of showing their work and my intentions of studying their art. And through many years, those small efforts from me make my later effort toward exhibiting their work in America help a great deal. And also, through many trips, I got to know other people like the Director of Mansudae Art Studio Museum in Beijing- he helped me a lot. He actually visited AU at the opening last year so that's how it happened. Individual effort to have the show in America or the outside world is very difficult, but possible. You have to have lots of money or you have to visit many times to build up trust, that's one way to do it. Now, you and I are not allowed to visit North Korea. You can do it illegally but no one would do it illegally; it was great that I had a chance and was able to do it. I'm still thinking about having more opportunities to have bigger shows with North Korean art in America in the future.

Q (Student from American University):

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- 1) Since having had a few opportunities to visit your show, I've been curious, what do you believe made the American University Museum at the Katzen Art Center a suitable and appropriate venue to house this artwork?
- 2) Given the opportunities young college students in PUST or other institutions in Pyongyang have, do current young artists have the ability to sit in on lectures for Western artists? Do you believe that artistic theory will evolve or globalize down the road because of the experiences they have today?

A (Muhn): Why the venue of American University- At that time, at American University, the director, Jack Wilson and I had been working on this show for many years and he was fascinated with showing different art in his museum. He agreed with my intentions in showing North Korean art. As you saw with some of the images, social realism is well represented. This is the last socialist realism of the globe. As a Korean-born artist, I feel a human duty to do that. I know the culture, I know the language, I can communicate with them with ease. Somehow I was just attracted to their art, this is how it was all started. After a couple of visits, I started giving talks at many academic venues- such as Harvard, Columbia, Johns Hopkins, Georgetown, and other art centers in America. That's part of my activities through my studies of North Korean art. (There's no specific reason for that particular venue, referring to American University). Your second question about the influence of young artists... Artists in North Korea- are they going to stay in the same mode of painting forever? I would say, as long as the same social system exists, they'll probably continue what they've been doing. There is an interesting question to you, to everyone. If they have enormous freedom all of a sudden, what do you think they can produce image-wise? That question leads us to some questions we have in this society, is art for the sake of art possible in North Korea? If they break freedom, they'll have enormous freedom, just like you can choose on foot or by car freely here, if they have the freedom and opportunity to move around, think whatever they want to think and express what you feel inside, what do you think they can do as visual artists? They probably will do what they've been doing because they don't know much about other expressions. Deviations from what they've been doing are not allowed so far, so if freedom suddenly comes by, they cannot express such creative artwork that we can do here. But it's a human society, evolves, changes, and ultimately will lead to open society; at least first, open markets and free suffering souls, that's what I hope for, but I'm not sure about your question. I just interpreted and answered.

Q (Elizabeth Yang, HRNK): You mentioned a little about the UN sanctions- The Mansudae Art Studio has been listed specifically under the UN sanctions. How does this change your view of the artists there? Seeing that they're listed under UN sanctions, they have a direct link to funding the regime. How does that affect your research and pursuit of this topic when if we purchase more artwork from there, it just goes directly to the regime?

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A (Muhn): It's a very practical question. First of all, I cannot visit there anymore which makes my family feel so safe. I feel otherwise. I'm okay to visit there anytime. Anyway, Mansudae Art Studio has huge dollar earning activities outside their society, which are banned now. Now we have to see Mansudae Art Studio's function and structuring of it. As I said, they have nearly 4,000 members including artists and staff members, which means those people have family members to support, which means 10,000 people related to Mansudae Art Studio. The government doesn't support them, they have to support themselves so the money they earn from outside is mostly to support the Mansudae Art Studio itself and I don't know, the rest of it probably goes to support the government so my study/research regarding that situation will be changed but not dramatically changed because what I do is look at the artwork and I study from there. Also, the future shows I might plan to do in America or in other countries will probably still be possible, just not purchasing art from North Korea directly but through some other negotiations or in cooperation with other venues like Mansudae Art Studio in Beijing, so it is a cultural exchange and cultural importance I will try to bring to America. From now on, it will be great if I had enough money but it's not going to go directly to North Korea but to other human relationships, other organizations outside of North Korea.

Emcee: BG, thank you. I just wanted to let you know you're so prescient and actually answered the final question, which was about whether there was an artist exchange with Beijing. On behalf of the Art League and artists' community, thank you so much for coming today.

Report by: Elizabeth Yang, Research Intern



DATE: Wednesday, September 20, 2017

SUBJECT: North Korean Domestic Conditions and Human Rights, South Korean Press Briefing | The Asia Foundation

MAIN POINTS:

- The North Korean economy is growing, led by the private or quasi-private sector, Chinese direct investment, and North Koreans working abroad
- The Byungjin policy seems successful, and there is no evidence of political instability in the North
- Market development and human rights issues coexist
- There is no improvement on human rights
- We must look to South Korea first, as it must take the lead on the human rights issue, but it must be an international issue.

EVENT OVERVIEW

Date: Monday, September 11, 2017

Time: 10:00 a.m. – 12:00 p.m.

Location: Carnegie Endowment for International Peace, 7th Floor, 1779 Massachusetts Ave NW, Washington, DC 20036

Attendees:

- **Speaker, Greg Scarlatoiu**, Executive Director, Committee for Human Rights in North Korea

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- **Speaker, Frank Jannuzi**, President and CEO, Mansfield Foundation
- **John Brandon**, Senior Director of The Asia Foundation's International Relations programs, Associate Director of the Washington, DC office
- **Choon Ho Yoon**, member of the press
- **Jae Ho Lee**, member of the press
- **Jai Hyek Choi**, member of the press
- **Seng Wan Choi**, member of the press
- **Gerald Martin**, member of the press
- **Cholhi Lee**, member of the press
- **Hyukhoon Jung**, member of the press
- **Ritaek Kim**, member of the press
- **Jung Keun Lee**, member of the press
- **Jeong Ho Nam**, member of the press

SUMMARY

Mr. Jannuzi began by introducing himself. It had been 8 years since his last visit to the DPRK and he was previously at Amnesty International. Now at the Mansfield Foundation, Mr. Jannuzi said the foundation had conducted two study projects on the DPRK, and that he would share some of their findings. He emphasized that there would not be many statistics, as the data is unreliable.

His first observation was that the NK economy is growing. This growth, he said, is led by the private or quasi-private sector. NK's economy is fueled by Chinese direct investment and by NK workers working abroad. Jannuzi mentioned that agricultural production is generally on an upwards trend, fueled by the growth of small markets, creating an incentive for increased production. The growth however, he said, is unequal, as Pyongyang enjoys higher standards from the rest.

His second observation was that the Byungjin policy appears to be working, as there are improvements in both the economy and nuclear forces, even with international pressure and sanctions.

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His third observation was that, while it is very hard to know, there is no clear evidence suggesting political instability in the North. KJU appears in charge, with no serious threat to his rule.

With regards to human rights conditions, Jannuzi said he sees no improvement. While it is true that standards of living for some is improving, he said, the state control of freedoms remain very severe, as do the punishments for criticism.

Mr. Jannuzi followed by discussing US policy on human rights. He said the Congress created the position of special envoy because the problem is multifaceted; the nuclear problem is solely one piece. He mentions that under the new administration, the envoy position will be combined with another, which he thinks is very unfortunate, as it evidences the overall retreat by the administration on human rights issues around the world. He added that it is especially unfortunate in this period of higher tension, when we should not signal that these issues are not important to us.

Mr. Scarlatoiu followed, by firstly emphasizing that each and every conceivable human right is violated in North Korea, and that it is the only country still running a political prison camp system in the 21st century, in which 120,000 men, women, and children continue to be imprisoned. He added that the mission of HRNK is to monitor, investigate, and report on the situation of human rights in North Korea, by using satellite imagery analysis, defector testimony, inside sources, and expert consultations. Based on this research and methodology, he said, HRNK has recognized several human rights trends under KJU:

- 1) The crackdown on attempted defections
- 2) The restructuring of the North Korean political prison camp system
 - o facilities close to the Chinese border have been shut down, prisoners have been relocated, inland facilities have expanded.
- 3) Disproportionate oppression of women
 - o married women have assumed primary responsibility for the survival of their families, women are mostly arrested and imprisoned for alleged wrongdoings in markets, mostly women who cross into China in search of possibilities and get arrested and repatriated
- 4) Aggressive purges since 2009 (transfer of hereditary power)
 - o 4 fundamental building blocks purged: military, party, internal security agencies, inner core of Kim family

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Mr. Scarlatoiu followed by emphasizing that the Kim regime is a criminal regime and that the three Kims have been rational. He noted, however, that there were two caveats in Mr. Jannuzi's discussion regarding markets;

1) Market development and human rights issues go hand in hand; markets and tyranny have coexisted since time immemorial

2) Private property does not exist in North Korea, but private entrepreneurship is flourishing

- combination generated an unprecedented level of corruption
- regime needs the protection of government agencies in order to run almost all methods of activity

Scarlatoiu then discussed the construction of buildings in Pyongyang; emphasizing that there is an illustrative difference in and out of Pyongyang.

He made final points regarding the alliances surrounding North Korean policy, mentioning the ROK, the US, the EU, Japan, and many others, adding that without the US and the ROK, the coalitions would not survive.

Q&A

Q: (Jeon Ho-nam) So when it comes to the Moon Jae-in government, coming up with what they call the Moonshine policy in the spirit or context of the sunshine policy, which is basically quite similar vantage points, based on the philosophy that with tyranny, if we stimulate their economic reforms, it will promote civil society, which would be a cultivation of an atmosphere where democracy is desired, either resulting in democratization or the collapse of the regime. And that seems to be their conviction. But actually, after hearing from you, it seems that even though economy of the North is growing, there is no sign of democratization whatsoever. The growth of market economy in any shape or form is only resulting in corruption, nothing resembling democratization is on the horizon, but rather solidifying the strength of the North Korean regime. What is the utility of a Moonshine or Sunshine policy, because it seems that even though the economy is growing, there seems to be no true desire expressed towards democratization inside North Korea. In case of Arab spring, the economy was struggling, however people erupted in

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rebellion or in opposition. But nothing like this would seemingly happen in the case of North Korea. This is my conundrum.

A (Jannuzi): I began my interest in Asia by studying in China, and I was a student in China in the early 80s. And there was a lot of optimism about how openness, and market economy would lead to political liberalisation in China. And today, the conventional wisdom is that that optimism has proven to be false. In the case of China, of Vietnam, and Cambodia, it demonstrates that you can have economic growth and even the growth of market economy without having significant progress on democratization. Economic growth and privatization does not automatically contribute to the growth of democratic governance. This is true in communist systems, it's also true in authoritarian systems like South Korea used to have. I do think that the growth of the private sector in North Korea creates contradictions, and where there are contradictions, as Mao Tse-tung said, there would be resistance, and where there is resistance, there would be repression. So we see contradictions in North Korea, we do not see much resistance in NK, but hard to know, as we cannot see hearts of the people. But we definitely see repression. My view is it's too soon to say what's going to happen, it's too early in process of market reform. It's very hard to know what long term effect will be. I can't prove it, but my opinion is that there needs to be an information component and a mobilization component to go along with any economic component of change. But economic itself not sufficient to bring about mobilization. Like grassroots, or even top-down. Some kind of mobilization to propagandize and stir-up. Just one last thought; you know in China, people say that kai fung is a failure for democratization, but we did see Charter 08, this online democracy movement. There are political dissident voices in China today. So maybe they haven't had enough time.

A (Brandon): I just wanted to add to Frank's comment that, I think a big difference between North Korea and China, is that when China opened up in the late 1970s, you began to see Chinese studying in US, in Australia, in Europe, and so they were exposed to the larger world. That is not so much the case. Now I know there's a period of time where some North Koreans were studying in Australia, but not many. Is that enough in terms of a group of people able to advocate in a very careful way some kind of constructive reform? Today, it might lead to a death sentence.

Q: (Jeon Ho-nam) Personally, I just wish that North Korea would be a second China, similar to China.

A (Brandon): We should be that lucky.

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Q: (Jeon Ho-nam) I want to bring up a careful counter argument, because though you said China is falling short of true democracy, but this may be strictly a US view. The Chinese themselves think they have full blown democracy with a lot freedom. They seem to be very satisfied with their leadership, not because they lack true knowledge on the global scale. In other words, the leader brought good things. Personally, sometimes I think there are South Korean leaders that are just as good as those Chinese leaders.

A (Scarlatoiu): There are political dissidents in China, many of them are jailed. A very interesting story, heard from my American students in classes I teach in South Korea. They were telling me they were taking classes in China, after a few months, they were beginning to think like the Chinese, their worldview was shifting. They were very happy to return to sanity in South Korea, in a free and democratic country. Perhaps a couple of very quick points about economic exchanges with North Korea, as we all know North Korea is an extraordinarily oppressive regime that knows how to limit the social side effects of interaction with the outside world. This applies to any interaction, business, humanitarian; extract maximum benefits with minimum social side effects. I suspect that the overwhelming majority of workers at the Kaesong Industrial Complex were wives of KPA officers and NCOs. Since 80% of the KPA is deployed South of the Pyongyang-Wonsan line. How many percent of 120 million dollars earned at Kaesong went to the Korean regime? All of it, it's US dollars, the workers are not paid in US dollars. So there is serious moral hazard here. Of course this is made even more complicated by North Korea's nuclear and missile developments. That said, I personally continue to believe in the power of transformation. The sunshine policy in my view had two fundamental goals:

- 1: By bestowing more or less unconditional investment and aid onto the North Korean regime, changed behaviour of Kim regime.
 - Failed.
- 2: Change the hearts and minds of North Koreans by exposing them to South Korea and South Koreans.
 - That objective did not have enough time for implementation, and I'm afraid it never will.

Of course you're aware of the pejorative meaning of the term Moonshine policy in English. Moonshine is a type of alcohol produced illegally.

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Q: (Jung Keun Lee) I am an editor and writer at Pyongyang Daily. I will try to answer the two questions raised by Mr. Scarlatoiu. Those issues are well detected by the media but not so much by the general public. However, as perhaps you know very well, there seems to be two opposing trends to how the South Korean government should approach nuclear and human rights problems. One good example, one trend, was when Moo-hyun was in power, it became such a sensitive issue whether we should be involved in decision making of UNHRC. However, things have changed much since then. I don't think there are two divergent views inside South Korean society. In other words, when it comes to the NK HR problem, I think the majority view is that we take it seriously, and that it is a problem. So when it comes to the issue of whether we want to keep this position of ambassador on the HR problem, depending on the political current, their strength may be weakened, but completely removing the position may not sit well, even with the Korean general population. I have one question: In your view, which is that economic effort for reform alone is not enough to bring true democratization, and we would need such things as mobilization or information inflow. When it comes to information inflow I understand the US government passed a bill to legitimize the inflow of information into NK and it mentioned some specific ways to do so, for example, short wavelength radio, the provision of some electronic gadgets... I was wondering if you could possibly give me a quick list of what some of those available means are and what are more practical tools.

A (Scarlatoiu): There are lots of available vehicles, as you said, first, radio waves, Radio Free Asia, Voice of America, staffed with NK defectors. USBs, mobiles, media storage devices and memory chips, are also being used. There are groups who have flown drones into NK, and of course there are groups that fly or used to fly balloons into NK. In my view, the vehicles are not a problem, technology will find a way, there is a lot of interest in NKHR in Silicon Valley, for example. Instead, messaging is the problem: it must be based on a solid understanding of how NK operates, of how North Korean society is structured, I'm sure you know *songbun*... But it is very important to understand that we, in the free world, go through different cognitive processes. N. Koreans are not necessarily taught how to analyze, how to draw conclusions based on available information. Watching SK drama is a great thing, it means the regime can no longer tell the NK people that S. Koreans are an impoverished people shining the boots of American GIs. But there is a long way to revolution. Knowledge is needed, knowledge of how to associate, social cohesion is needed, and courage is needed. They cannot all be acquired by the means of watching dramas. Most importantly, these groups need funding; the current funding allocated to these operations is rather dismal – it is a very small amount.

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Q: (Choon Ho Yoo) I am an editor and writer with Seoul Broadcasting Service. I would like to begin by paying a true and heartfelt respect to you, since you are dedicated to resolving this problem of NK HR. Thank you so much. I believe everyone is on the same page that the NK situation is dismal, and that there should be efforts to improve that. I believe it is a faulty conclusion that on the part of the psyche of the NK leadership that the West, showing an interest, making interventions, making efforts and showing some action is not necessarily not the goal itself, but rather the means to eventually bring about some other process for the collapse of the regime. I couldn't really shake off the feeling that how come we had to fly 13 hours, with all due respect had to sit and hear from you, when we are in a better geographical position to discuss the situation north of the DMZ. This human rights approach almost by default goes hand in hand with suspicion of purposes, of possibly collapsing or changing the regime. Maybe because of that threat, maybe even some missionaries who worked in the North were detained and some even died, people who are not directly working in the human rights field. Having said all that, I am grateful and respectful for the interest and effort you make, but as a South Korean citizen I am slightly embarrassed.

A (Jannuzi): Well, it's the Korean peninsula, not the American peninsula. For sure, it's the Korean people who have to lead the process of managing North-South relations, and hopefully one day accomplishing reunification on the Korean peninsula. Mike Mansfield taught me that we should not question another person's motive, but it is certainly possible that some who portray themselves as champions of HR in the North, have a different priority, and may have ambitions for collapse. I won't speak for Greg, but I think it is fair to say that two of us are motivated only by a desire to improve the HR conditions in the North, and that's what drives us in terms of our concern. But in taking an interest in the HR situation in the North, South Koreans, Americans, the Commission of Inquiry, is necessarily involved in politics, because improving the situation in North will require political decisions by the NK government, so it is a political issue. It would be disingenuous to claim that an interest in human rights in the North is purely humanitarian, of course it has a political dimension. That's why when I was at Amnesty International, before we began our work in NKHR, I went to SK to speak to the Amnesty International chapter in Seoul which had been very silent on NKHR issues, to talk to them, to hear from them, and listen to their concerns. And not just Amnesty, I spoke to many many societal and political groups, because I think that South Korea has to lead on this issue. The Mansfield Foundation certainly cannot lead, I don't even speak Korean.

A (Scarlatoiu): There is no doubt that SK must lead, and there is no doubt that HR in NK must be an international issue. If it is only Koreans from South Korea, or ethnic Koreans

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from America or Canada are concerned, we are lost, there is no hope. I think the key word here is legitimacy. NK is a member of the UN, it is bound by the Universal Declaration on Human Rights, it is bound by the International Covenant on Civil and Political Rights, it is bound by the International Covenant on Economic, Cultural and Social Rights. The DPRK has assumed international obligations in the human rights field, but it is not observing any of these obligations. Pakistan is not an oasis of freedom or human rights, and yet we are so much more worried about a nuclear NK than we are about Pakistan. In particular because this is a regime with an abysmal HR record. If it is doing such terrible things to its own people, what is it ready to do in the international community. My organization, I think Frank will agree that Amnesty International, Human Rights Watch, many other human rights organizations, do not want regime change, we want to see improvement in HR situation, we want to see the UN Special Rapporteur visit North Korea, we want to see the OHCHR visiting NK, we want to see the UN High Commissioner for Refugees getting involved. But not regime change. And a very quick personal view, it is okay to remove tyrants from power as long as one has a semblance of a plan for the transition period. I have personally witnessed a violent, bloody, anti-communist revolution. What I wish for all South Koreans and in the North, is peaceful change, peaceful transition, whatever that might take. That said, we continue to be aware of the fundamental strategic objective of the Kim regime, of course survival. The only competitor, as we all know this is not a criminal cartel, this is a monopoly, the only competitor is a free, democratic, prosperous Korea. Unfortunately, the 2nd fundamental strategic objective in the mind of the regime, is acquiring hegemony of the entire Korean peninsula; it has not changed.

Report by: Chloe Pulfer, Research Intern

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DATE: September 29, 2017

SUBJECT: Sanctions, Diplomacy, and Information: Pressuring North Korea | The House Foreign Affairs Committee

MAIN POINTS:

- The Honorable Ed Royce emphasized that strategies toward NK need to be implemented aggressively to be effective and that the US need to do much better at getting information to N. Koreans.
- Susan Thornton presented current US policy toward NK, signs of progress, and suggestion for the next step, stressing that we should not lose sight of the plight of the US citizens detained by NK nor of the regime's egregious human rights violations.
- Marshall S. Billingslea presented the threat posed by NK and economic pressure strategies toward NK such as targeting DPRK Revenue, dismantling NK's shipping networks, preventing access to the global financial system, and global cooperation.

The event can be viewed at: <https://youtu.be/b1S8XwNpnq0>, accessed 09/12/2017.

EVENT OVERVIEW

Date: Tuesday, September 12, 2017

Time: 10:00 a.m. - 12:35 p.m.

Location: Rayburn House Office Building, Room 2172 – 45 Independence Avenue SW, Washington, DC 20515

Attendees:

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- **Rep. Ed Royce (R-CA)**, United States Representative, House of Foreign Affairs Committee, Chair
- **Susan A. Thornton**, US Department of State, Acting Assistant Secretary
- **Honorable Marshall Billingslea**, Office of Terrorism and Financial Intelligence in the US Department of Treasury, Assistant Secretary

- **Rep. Adam Kinzinger (R-IL)**, United States Representative
- **Rep. Brad Schneider (D-IL)**, United States Representative
- **Rep. Dana Rohrabacher (R-CA)**, United States Representative
- **Rep. David Cicilline (D-RI)**, United States Representative
- **Rep. Gerald Connolly (D-VA)**, United States Representative
- **Rep. Michael McCaul (R-TX)**, United States Representative
- **Rep. Steve Chabot (R-OH)**, United States Representative

SUMMARY

Opening Statement of the Honorable Ed Royce (R-CA), Chairman

On September 3, North Korea detonated a nuclear device that, according to news reports, was stronger than all its previous tests combined. If true, this represents the latest advancement in NK's long-running nuclear and intercontinental ballistic missile programs – which now pose an urgent threat to the United States. Moreover, the apparent speed in which these North Korean advancements have occurred are challenging the security architecture in Northeast Asia, creating dangerous instability in the region that we will likely be dealing with for decades.

The Honorable Ed Royce said that this Committee will discuss the tools that must be deployed and fully utilized to address these threats. He emphasized that the response from the United States and our allies should be supercharged and that we need to use every ounce of leverage including sanctions, diplomacy, and projecting information to put maximum pressure on NK. Sanctions can still have an important impact. NK's advanced weapons programs rely on foreign-sourced technology. This requires hard currency. Unfortunately, years have been wasted, as sanctions have been weak, allowing NK to access financial resources and build its nuclear and missile programs. Any sanction that crimps NK's access to technology is urgently needed. Congress has done its part to ramp up economic pressure. The US passed a NK Sanctions bill

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last February. In July, the US increased the tools at the administration's disposal as part of the big sanctions package, including targeting N. Korean slave labor exports. In August, the administration secured a major victory with the unanimous adoption of UN Security Council Resolution 2371, which Ambassador Haley called "the strongest sanctions ever imposed in response to a ballistic missile test." Last night, under her leadership, the Security Council passed another resolution, further upping the pressure on the regime in response to its recent nuclear test.

The Honorable Ed Royce said that these tools need to be implemented aggressively to be effective. He stressed that the Administration deserves credit for increasing the pace of designation. He asserted that we need to dramatically ramp up the number of NK related designations and these designations do not require Beijing's cooperation. The US can designate Chinese banks and companies unilaterally, giving them a choice between doing business with NK or the US. Earlier this year, Treasury sanctioned the Bank of Dandong, a regional Chinese bank. That is a good start, but the US should target major Chinese banks such as China Merchants Bank and even big state owned-banks like the Agricultural Bank of China that have significant presences in the US if they do not stop doing business with NK. It is not just China. The US should go after banks and companies in other countries that do business with NK the same way. Just as the US press China to enforce UN sanctions banning imports of N. Korean coal and iron, we should press countries to end all trade with NK. This grave nuclear risk demands it. Sanctions are not the only way to apply pressure on the regime. The US must maintain a united front with our allies. President Trump is strengthening regional deterrence through additional US arms sales to Japan and SK.

Finally, the US need to do much better at getting information to N. Koreans so they better understand the brutality and corruption of the self-serving Kim regime. These efforts are already pressuring the regime, creating some unrest and increasing defections. While we should take a diplomatic approach to North Korea, the reality is that this regime will never be at peace with its people, neighbors or us.

Statement of Susan Thornton, Acting Assistant Secretary, US Department of State*North Korea Policy*

The threat posed by NK's ballistic missile and nuclear weapons and other weapons of mass destruction (WMD) program is gravely serious, and one that warrants immediate and urgent attention, as this Administration has provided. The test of a nuclear device on September 3, NK's sixth nuclear test, is an unacceptable provocation that ignores repeated calls from the

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international community for a change in NK's behavior. It followed the August 28 ballistic missile launch that overflowed portions of Hokkaido, which underscored the direct threat posed by Pyongyang's missile and nuclear programs. It is the first declared ballistic missile over flight of Japan, and represents a clear and tangible threat to the security of Japan and the entire East Asia region. She emphasized that we continue to stand with our allies, Japan and SK, in the face of this escalating threat. Since the beginning of 2017 alone, NK has launched more than fifteen ballistic missiles into the seas around it, including two ICBMs. In 2016, it tested two nuclear devices. And of course, NK has made a number of dramatic threats regarding its ability to hit specific targets including Guam and other parts of the US. Secretary of Defense Mattis has made clear that we have the ability to defend ourselves and our allies, SK and Japan from any attack and that our commitments to our allies remain ironclad. She asserted that we cannot allow such flagrant violations of international law to continue and that we must hold Pyongyang to account.

This administration has developed a clear strategy that involves in forging an all-encompassing international coalition to apply diplomatic, economic, and political pressure on NK to bring the regime to understand the only path to peace, prosperity and international acceptance is to cease its provocative actions and to abandon its destabilizing missile and nuclear programs. We have used different monikers for this strategy, "maximum pressure," "peaceful pressure," and "strategic accountability," but the strategy's components are the same:

- 1) We continue to push for strong multilateral sanctions against the DPRK at the UN. Through this forum, we are galvanizing the international community to stand together in rebuke of NK's belligerent acts and to pressure Pyongyang to abandon its unlawful programs.
- 2) We are using the authorities granted in our domestic law under the N. Korean Sanctions and Policy Enhancement Act and the new authorities under the Countering America's Adversaries through Sanctions Act to impose sanctions on individuals and entities that enable the DPRK's illicit activities, deterring such conduct and sending a strong signal to the regime that we're watching their movements.
- 3) We continue to press countries around the world to fully implement UN Security Council Resolutions against NK including UNSCRs 2270, 2321, 2356, and 2371, and to consider harmonizing their domestic sanction regimes with our designations on N. Korean and third-country entities
- 4) Likewise, we continue to urge the international community to cease normal political interactions with the DPRK, including by suspending or downgrading diplomatic relations with NK and ending diplomatic visits and exchanges.

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- 5) Finally, we continue to call for all countries to cut trade ties with Pyongyang to increase NK's financial isolation and choke off both licit and illicit revenue sources that finance the regime's weapons programs.

Even as we pursue denuclearization, deterrence is also a central part of our DPRK strategy. We are fully committed to the defense of the US and our allies and are ready to respond to any DPRK attack. We have partially deployed THAAD to the ROK and continue to take other measures to prepare ourselves, South Korea, and Japan to respond to any DPRK attack with overwhelming force. We must be unequivocal in our messaging to NK that any attack on the US or our allies will be met with an overwhelming response. Throughout our execution of this strategy, we have been clear about what our strategy is not: We are not seeking regime change or collapse. Nor do we seek an accelerated reunification of Korea, or an excuse to send troops north of the Armistice Agreement Military Demarcation Line. We have no desire to inflict harm on the long-suffering N. Korean people, whom we view as distinct from the hostile regime in Pyongyang. We recognize that the success of the pressure strategy will depend on cooperation from international partners, especially Beijing. We are working closely with China to execute this strategy and are clear-eyed in viewing the progress that China has made on this front. We are conferring closely with our Chinese counterparts to ensure strict implementation of China's commitment to curb imports of N. Korean coal, iron, iron ore, lead and lead ore, and seafood. If fully implemented UNSCR 2371's ban on these items could substantially reduce DPRK revenues this year from the \$1.5 billion NK earned from the export of these items to China in 2016.

We continue to work with China and Russia to improve the implementation of sanctions, but there is more to be done. Secretary Tillerson said it best when he called China's support for the pressure campaign "notable, but uneven." We hope to work with China and Russia to resolve this issue and will continue to engage in a dialogue on how to further pressure the DPRK. We have also made clear that if China and Russia do not act, we will use the tools we have at our disposal. Just last month we rolled out new sanctions targeting Russian and Chinese individuals and entities supporting the DPRK. We will continue to take action multilaterally and unilaterally to disrupt NK's illicit activities wherever they are located.

Signs of Progress

While there is more work to be done, we see encouraging signs of progress from our partners around the globe on increasing pressure on NK:

- 1) Countries spanning all regions of the globe issued strong statements against the DPRK's July 3 and July 28 intercontinental ballistic missile (ICBM) tests, as well as the most

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recent launches and the September 3 nuclear test. These include countries that have not traditionally aligned with the United States on this matter – countries like Mexico and Sudan.

- 2) We have seen countries expel sanctioned North Korean officials and North Korean diplomats engaged in illicit commercial or arms-related activities, and prevented certain North Korean individuals from entering or transiting their jurisdictions.
- 3) Countries have reduced the size of the North Korean diplomatic mission in their countries, and canceled or downgraded diplomatic engagements or exchanges with North Korea. For example, Peru and Kuwait are two of several countries that reduced the size of the North Korean embassies they host.
- 4) Across the globe, countries are beginning to view visiting North Korean official delegations with caution, recognizing that welcoming these delegations not only lends tacit support to North Korea's nuclear and ballistic missiles programs, but comes at a cost to their international reputation and relations with the United States and others.
- 5) Countries in the Middle East, Europe, and Southeast Asia halted visa issuances to North Korean laborers and are phasing out the use of these workers, whose wages are garnished to fund the regime and its unlawful nuclear and missile programs. Malaysia deported hundreds of DPRK workers and suspended issuing further work permits.
- 6) Other countries, such as the Republic of Korea (ROK), Japan, and Australia have implemented their own unilateral sanctions on entities violating UN sanctions. EU partners are augmenting autonomous restrictive measures to implement UN Security Council resolutions, and key European partners, particularly the UK, France, and Germany, are collaborating with us on maximizing pressure on the DPRK.
- 7) Countries have tightened restrictions on the DPRK's ability to use its diplomatic missions to generate revenue. For example, Germany is shutting down a hostel located on DPRK embassy grounds in Berlin.
- 8) On August 5, ASEAN Foreign Ministers issued their strongest statement to date in response to the DPRK's ICBM launch. Their joint statement expressed "grave concern" over the escalation of tensions and recent missile tests, expressed commitment to a denuclearized Korean Peninsula, and urged the DPRK to comply immediately with all relevant UNSC resolutions. We welcomed this strong, principled statement ahead of UNSCR 2371.

Next Steps

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Unfortunately, despite the way the international community has come together to pressure the DPRK, we have yet to see a notable change in DPRK's dangerous behavior or any signs that it is willing or interested in credible talks on denuclearization at this stage. Our military, together with our allies, remains prepared to respond immediately and resolutely to any attack or threat of attack. There should be no doubt about our resolve to defend our allies and our homeland. We will not ape Pyongyang's well-honed practice of carelessly and needlessly escalating tensions, but we are ready to respond if necessary. Meanwhile, we remain open to diplomacy, but the DPRK must show it is ready for serious engagement. We have not seen any such indication. In fact, each ballistic missile launch from NK only signals the opposite. As a result, we will continue to urge countries around the world to take actions to make clear to the DPRK that its behavior is intolerable, and continue to build pressure.

We will step up efforts to sanction individuals and entities enabling the DPRK regime, irrespective of location or nationality. Following the nuclear test, we are pressing hard for a new Security Council Resolution, which we hope will include new sectoral sanctions, including oil, textiles, and workers. Countries like China and Russia must continue to exert their unique leverage over the DPRK. We will never recognize NK as a nuclear state. We will continue to stand with our allies in the region and will work with Japan and SK. We are enhancing US-Japan-ROK trilateral diplomatic and security cooperation. We will continue to work within our alliances to develop additional defense measures to answer the threat posed by the DPRK's nuclear and ballistic missile programs, and to protect the people of the US, Japan, and the ROK. Third parties will not deter us from taking appropriate defensive measures in the face of the DPRK's growing security challenge.

While addressing the nuclear and ballistic missile threat is our most pressing issue, we have not and will not lose sight of the plight of the three remaining US citizens who have been unjustly detained by NK nor of the regime's egregious human rights violations. Due to mounting concerns over the serious risk of arrest and long-term detention, the Department imposed a travel restriction on all US nationals' use of a passport to travel in, through, or to NK which went into force September 1. We seek to prevent the future detentions of US citizens by the N. Korean regime to avoid another tragedy like that which Otto Warmbier and his family endured. We will continue to press for accountability for those involved in such deplorable abuses. We will also continue to reiterate our willingness to solve this issue through diplomacy. If the DPRK indicates an interest in serious engagement, we will explore that option, but we will do so with clear eyes about the DPRK's past track record of violating the spirit and the letter of negotiated agreements.

Testimony of Assistant Secretary Marshall S. Billingslea House Foreign Affairs Committee

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Billingslea said that he would publicly share aspects of the plan, assess our progress thus far and describe the challenges we face.

The Threat Posed by North Korea

NK poses a grave and growing threat to the security of the US, our friends, allies in Asia, and the world as a whole. Kim Jong-Un has dramatically increased the pace of ballistic missile testing since coming to power. This year alone, NK has conducted sixteen missile tests, including two intercontinental ballistic missile (ICBM) tests. Just a few days ago, on August 28, NK launched a missile directly over Japan. Not only was this a violation of UNSCR, it imperiled Japanese airspace and clearly was meant as a blatant threat to the people of Japan, and to us and our armed forces stationed there. NK's latest test of a nuclear device, conducted over the Labor Day weekend, marks an unacceptable provocation. Kim Jong-un has issued multiple threats to target American cities and territories. His recent pronouncements regarding the conduct of salvo missile launches at Guam are just one example. We take these threats with the utmost seriousness, and are determined to constrain Kim Jong-un's capacity to act on such threats in the future. We will not allow NK to extort and threaten the world with its nuclear and missile programs.

In order to constrain Kim Jong-un, the international community has unanimously enacted multiple UNSCRs. In fact, with each provocation by NK's dictator, the nations of the world have responded with steadily tightening constraints of sanctions and embargoes. Under previous Administrations, the UN had prohibited trade in arms, luxury goods, minerals, monuments, and the maintenance of representative offices, subsidiaries or bank accounts in NK. While this clearly had inhibited NK's quest for weapons of mass destruction (WMD), it was not enough. On August 5, our Administration worked with the other Permanent Members of the Security Council to pass UNSCR 2371, striking at the core of NK's revenue generation. That resolution, drafted by the US, embargoes all importation of N. Korean coal, iron, lead, and seafood and now requires nations to cap employment of N. Korean citizens sent abroad as workers. Very importantly, last night, on September 11, the UN passed resolution 2375, targeting North Korea's ability to export textiles, further restricting NK's ability to acquire revenue from overseas laborers, cutting off over 55 percent of refined petroleum products going to NK, and fully banning all joint ventures with NK to cut off foreign investments. These two recent Resolutions are central to our efforts to mobilize the international community and to deny funds to Kim Jong-un's weapons programs.

The fact is, however, that NK has been living under UN sanctions for over a decade, and

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nevertheless has made significant progress toward its goal of building a nuclear-tipped ICBM. As is the case with any international agreement, the key to effectiveness of UNSCRs is implementation. All nations must join us in implementing all relevant UNSCRs, including the most recently enacted ones. NK continues to defy the UN arms embargo and is continually engaged in efforts to evade the sanctions and prohibitions adopted in nine separate UNSCRs. As both the UN and the US sanctions regimes expand in response to Kim Jong-Un's reckless behavior, so too does the depth and breadth of NK's sanctions evasion efforts. Because of uneven, and sometimes nonexistent, international implementation, NK shrugs off the practical impact of many restrictions, and is still exporting prohibited goods such as weapons, minerals, and statues.

NK's leadership also continues to smuggle in luxury goods while neglecting the urgent, basic needs of its citizens. The humanitarian suffering of the N. Korean people stands in stark contrast to the opulent lifestyle of Kim Jong-Un and NK's senior leaders. To finance their excesses, as well as the nuclear and ballistic missile programs, the regime is evading financial restrictions by using overseas financial representatives and a web of front and shell companies. NK has proven adept at using the interconnected global financial system to its advantage and employing deceptive financial practices to cover its tracks. NK is at times very sophisticated in how it sets up financial intermediaries. But in some countries where the will to fully implement and enforce sanctions has been lacking, NK can often be brazen in how it accesses financial networks. Using all the information available to the US government, the Treasury Department is mapping out NK's financial and revenue-generating mechanisms.

Applying Maximum Economic Pressure on North Korea

Kim Jong-un has two key financial vulnerabilities. First, he needs revenue to maintain and expand his WMD and ballistic missile programs. Second, he needs access to the international financial system to acquire hard currency, transfer funds, and pay for goods for both licit and illicit purposes. We are therefore actively working to cut off Kim Jong-un's ability to both raise and move money through the international financial system.

- 1) Targeting DPRK Revenue: There are only a finite number of ways that NK can raise significant amounts of foreign exchange. For many years, coal has been the center of gravity for NK's revenue generation. By our estimates, prior to the latest UN Security Council resolutions, coal shipments brought in \$1 billion in revenue annually for the regime. Prior to the latest UNSCR, NK made another estimated \$500 million annually from iron, lead, and seafood. In the past, an important source of funding was the export

of weapons and missile technology, but now NK acquires revenue from exporting commodities. That is why the August 5 UNSCR 2371 is so important. It prohibits UN Member States from importing any of these items from NK. However, effective implementation of all UNSCRs is essential if we are to deny NK its current, principal sources of funds. Treasury, in coordination with the State Department, is working to accomplish just that. We do this in a number of ways. With friends and allies, we share detailed information regarding N. Korean activities to assist them in disrupting sanctions evasion and illicit trade. The Treasury Department routinely engages at multiple levels with partner nations to help them conduct detailed forensic investigation and analysis to target N. Korean financial networks where they exist.

For instance, on August 22, we struck at the heart of NK's illegal coal trade with China. Treasury designated 16 individuals and entities, including three Chinese companies that are among the largest importers of N. Korean coal. We estimate that collectively these companies were responsible for importing nearly half a billion dollars' worth of N. Korean coal between 2013 and 2016. These funds are used to support the Government of NK and the Workers' Party of Korea, including its nuclear and ballistic missile programs. On top of that, we know that some of these companies were also buying luxurious items and sending an array of products back to the N. Korean regime. On August 22, we sent two clear messages. The first was to NK: we intend to deny the regime its last remaining sources of revenue, unless and until it reverses course and denuclearizes. The second message was to China. We are capable of tracking NK's trade in banned goods, such as coal, despite elaborate evasion schemes, and we will act even if the Chinese government will not.

Importantly, our August actions were matched by swift legally-binding domestic designations in Japan, and by a public advisory from SK's Ministry of Strategy and Finance cautioning all S. Korean nationals from conducting financial transactions with these US designated individuals and entities. It strongly advised that S. Korean nationals exercise particular caution against transactions with the designated individuals and entities. Our disruption efforts against N. Korean networks are maximized when nations act forcefully, in concert. We appreciate the steps taken by Japan and SK, and we look to other friendly and allied nations in the region to do the same.

On June 1 of this year, the Administration targeted a different type of N. Korean revenue: labor. We designated three individuals and six entities, including the Korea Computer Center (KCC), a state-run IT research and development center that was operating in Germany, China, Syria, India, and the Middle East. Using overseas N. Korean laborers, KCC was earning foreign currency for NK's Munitions Industry Department, which is responsible for overseeing the ballistic missile program. In addition to these sanctions, behind the scenes, both we and the State Department have aggressively engaged dozens of countries where N. Korean workers were employed, often by so-called construction companies. I am pleased that in many cases, our efforts have led to the scaling back or outright expulsion of these workers, yet another financial blow to the regime.

Finally, on March 1, Treasury designated twelve individuals and entities, including NK - based Paeksol Trading Corporation, which was selling coal and iron ore to China. The revenue from these sales supported the UN- and US-designated Reconnaissance General Bureau, NK's premiere intelligence organization that is also involved in the government's conventional arms trade. In total, under this Administration, the Treasury Department is engaged in a full court press on Kim Jong-un's revenue generation networks. We have singled out 37 specific entities involved in the most lucrative types of trade remaining to the regime, such as coal, iron, and labor. These are just the companies and people that we have decided to designate publicly. As noted, other parts of the network we have chosen to disrupt through non-public measures, working with friends and allies. NK will certainly continue to morph its procurement and sales networks in response to our actions, and we will be relentless in our pursuit.

- 2) Shipping: As part of NK's efforts to acquire revenue, the regime uses shipping networks to import and export goods. NK employs deceptive practices to conceal the true origin of these goods. Pyongyang has been found to routinely falsify a vessel's identity and documentation, complicating the ability of governments to determine if a vessel docking in their ports is linked to NK. We are actively increasing our understanding of NK's shipping networks, and we will expose individuals and companies that are providing insurance, maintenance, or other services to N. Korean vessels. In June, the Treasury Department designated Dalian Global Unity, a Chinese company that was reported to transport 700,000 tons of freight annually between China and NK. Dalian Global Unity

was also involved in smuggling luxury goods, with middlemen from the company giving specific instructions about how to evade the UN-mandated luxury goods ban. The Treasury Department has extensive experience mapping and dismantling illicit shipping networks, having worked for many years to uncover deceptive Iranian shipping practices. We are applying lessons learned in the Iran context to target commercial shipping moving in and out of NK.

Accordingly, the ship travels from China and declares that it is travelling to Russia. During its journey, the ship turns off its automatic identification system (AIS), probably stops in NK to load coal, travels to Vladivostok, Russia, and then returns to China probably to offload the coal. We are making this information available today to the Committee and to the public, and are also sharing with other nations as we take steps to curtail these deceptive practices and enforce the UN embargoes on coal, iron and iron ore, and other commodities.

- 3) Preventing Access to the Global Financial System: NK also uses deceptive practices to access the global financial system. As we constrain NK's ability to generate revenue, we continue to disrupt the regime's attempts to access the US and international financial systems. NK seeks to use the funds it earns abroad to pay its bills and purchase goods. Because of the robust international sanctions regime in place, it is difficult for N. Korean individuals and entities to do business in their true names. So in order to access the international financial system, NK maintains representatives abroad who work on behalf of UN- and US-designated N. Korean banks and trading companies, helping NK conceal their overseas footprint. These individuals are important to N. Korean networks because they have expertise that they use to establish front companies, open bank accounts, and conduct transactions enabling NK to launder funds. Without them, Kim Jong-Un's regime will find it much harder to develop the layers of obfuscation necessary to evade our steadily constricting campaign. We urge the private sector, particularly in Asian financial hubs, to stay vigilant. N. Korean financial facilitators are violating both international and US law. Those who collaborate with them are exposing themselves to enormous jeopardy. So too are the bankers, accountants, tax advisors, and notaries who participate in N. Korean deception. It is incumbent on those in the financial services industry who might be implicated in the establishment of shell or front companies for the

DPRK, and anyone who is aware of such entities, to come forward with that information now, before they find themselves swept up in our net.

We are committed to stopping this activity wherever it occurs. Treasury is working with foreign governments, US law enforcement, and the private sector to expose NK's deceptive practices, prevent them from conducting international transactions, and freeze these funds. This year, Treasury designated N. Korean bank and trading representatives who were operating in China, Cuba, Russia, and Vietnam. These designations prohibited these individuals from accessing the US financial system, alerted banks to the risk they posed, and pressured governments harboring these facilitators to abide by their UNSC obligations, expel these representatives, and freeze their assets. We expect more actions to come. NK's illicit financial activity is not just conducted in dollars. Nor is it limited to a handful of legal jurisdictions. We also are concerned about NK's use of Euros and other currencies. Once a N. Korean trade representative successfully places revenue into a nation's financial system, that revenue often then flows indirectly through global banks, who are unwittingly conducting currency clearing operations for N. Korean front companies. Obviously, financial institutions conducting transactions or clearing funds for N. Korean front companies are likely violating UN sanctions. The challenge, however, is how to identify the N. Korean front companies in the first place. Treasury is working with governments around the world, particularly those with banks engaged in euro-clearing, to share typologies of N. Korean sanctions evasion. This includes the sharing of specific information with Ministries of Finance, Central Banks, and Financial Intelligence Units to assist in protecting their currency clearing processes from abuse by NK.

Similarly, Treasury is also closely coordinating with the Department of Justice to target N. Korean networks transferring money through the US financial system. In June and August, Treasury designated a Russian network selling petroleum to NK. The Independent Petroleum Company (IPC), a Russian company, has reportedly shipped over \$1 million worth of petroleum products to North Korea. In order to pay for the petroleum, NK set up front companies that could transfer funds on behalf of the UN- and US-designated Foreign Trade Bank. Treasury designated the three individuals and two front companies involved in the scheme and froze the funds moving through the US financial system. On the same day, the Department of Justice issued a civil forfeiture

complaint against the companies to seize almost \$7 million held by US banks, belonging to those entities and individuals.

Similarly, on June 29, Treasury took action against a Chinese bank: Bank of Dandong. Pursuant to Section 311 of the USA PATRIOT Act, Treasury found the bank to be of “primary money laundering concern” and issued a notice of proposed rulemaking, which, if finalized, would essentially cut Bank of Dandong off from the US financial system. Among other things, Bank of Dandong is believed to act as a financial conduit for NK to access the US and international financial systems, including by facilitating millions of dollars of transactions for companies involved in NK’s WMD and ballistic missile programs. This was the Treasury Department’s first action in over a decade that targeted a non-N. Korean bank for facilitating N. Korean financial activity. It clearly demonstrates the Administration’s commitment to protecting the integrity of both the U.S. and international financial systems. Financial institutions in China, or elsewhere, that continue to process transactions on behalf of North Korea should take heed. We will continue to target NK’s illicit activity, regardless of location.

- 4) Challenges and Opportunities: It is essential that the international community work together to increase economic pressure on NK. NK is a threat to global peace and security. Moreover, Kim Jong-un’s regime operates globally, and therefore we need global cooperation to constrain its finances. All UN Member States must, at minimum, implement and enforce UNSCRs, which are binding. But we can, and should, do more. We are working bilaterally with key partners to coordinate our domestic sanctions programs. This year, Australia expanded its sanctions programs to target additional sectors of the N. Korean economy, and that Japan and SK have issued domestic actions targeting NK. Under Secretary Mandelker is currently in Europe discussing our work with our European allies to increase sanctions and combat NK’s sanctions evasion, and Treasury’s leadership is engaged with leaders from Southeast Asia and Africa on the importance of implementing UNSCRs. We are also working bilaterally with governments and through the Financial Action Task Force to ensure that countries have the regulatory framework in place to detect and freeze assets linked to NK.

But challenges remain. Certainly China and Russia are to be recognized for supporting adoption of the most recent SCR. Nevertheless, both countries must do much more to

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implement and enforce the sanctions called for by the UN. Russian companies continue to provide support to NK. DPRK bank representatives operate in Russia in flagrant disregard of the very resolutions adopted by Russia at the UN. This summer, for instance, Treasury designated Russian companies Gefest and Ardis Bearings, as well as their directors, for providing support directly to N. Korean entities involved in WMD and ballistic missile procurement. This activity is unacceptable, and we will continue to target those entities and individuals anywhere, including Russia, who provides any support to NK's procurement networks.

China is even more central to a successful resolution of the crisis caused by Kim Jong-Un. China accounts for at least 90 percent of NK's exports. NK is overwhelmingly dependent upon China for both trade and access to the international financial system. China's full and effective enforcement of UN sanctions is therefore essential. Unfortunately, we have not seen sufficient evidence of China's willingness to truly shut down N. Korean revenue flows, expunge the N. Korean illicit actors from its banking system, and expel the N. Korean middlemen and brokers who are establishing webs of front companies. We will continue to work with the Chinese to maximize economic pressure on NK, but we will not hesitate to act unilaterally. If China wishes to avoid future measures, such as those imposed on Bank of Dandong or the various companies sanctioned for illegal trade practices, then it urgently needs to take demonstrable public steps to eliminate NK's trade and financial access.

Conclusion

Treasury is engaged on a daily basis in "hand-to-hand" financial combat with NK's illicit networks. We do this with the full recognition that our success in curtailing NK's revenue streams and shutting off its access to financial systems is essential to a peaceful resolution of the growing crisis. We will target NK's economic activities and sanctions evasion schemes regardless of where they occur. We are approaching the problem strategically, but given the urgency of the threat, we will continue to apply maximum pressure on NK, and on those countries where the DPRK operates, at every turn.

Discussion

Military Option is the Last Resort and Not a Solution to the Problem

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Representative Rohrabacher urged that putting more troops in SK is not the solution to this problem. We must prefer use of force without major loss of life as we want to avoid the alternative of murdering millions of people.

Keeping the Military Option, However, is Essential to Empower Multilateral Diplomacy and Economic Sanctions

Both Representatives Lieu and Zeldin stressed that diplomatic economic options depend on whether you have a good military option, so it would not be wise to take off military option from the table. Representative Kinzinger added that retaining a passive attitude of relying on missile defense alone to deter NK will lead to massive proliferation around the world. For example, Representative Rohrabacher urged that US should use its defensive forces such as anti-missile system available to shoot down any additional North Korean rockets launched to US ally such as Japan as a message to the N. Koreans and to our allies who are counting on us.

Decisions to Bring Aids to NK by Previous Administration had Little Effect on the Conflict

Representative Rohrabacher said that President Clinton's decision to give N. Koreans billions of dollars of American assistance only paid "bloodthirsty tyrants" to aid their program. Sanctions alone will not have an impact on tyrants. Representative Poe also added that Clinton administration's decision to give aid to NK only sent a message that the US can be bought off. Representative Connolly instead urged that we also reflect on the US-Iran experience of JCPOA to provide some reward for compliance and cooperation at the end of the day.

Sanction is Something Worthwhile to Pursue

Representative Torres brought up another issue of increasing efficiency of sanctions by engaging consumers. She shared that she and Congresswoman Wagner have introduced the North Korea Follow the Money Act HR 3261, which would direct the director of national intelligence to produce a national intelligence estimate of the revenue sources of the N. Korean regime. The representatives strongly believed that this bill will make US sanction policy more precise and effective.

China is at the Center of the Gravity to this Problem

Representative Chabot urged that trade with the US and the possibility of nuclear capability in Japan and SK will incentivize China to take concrete actions against NK.

The Reality of N. Korean Threat to US

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Representatives Schneider and Royce shared consensus in that there is great conflict between the US goal to eliminate the nuclear threat by NK and NK's goal to unify SK under the Kim dynasty. Furthermore, Representative McCaul reminded that N. Korean capability of delivering an ICBM with the nuclear warhead either to Guam or the US mainland would constitute one of the biggest threats to the homeland.

Consideration of Using Cyber-Attack

Representatives Rohrabacher and McCaul recommended conducting a cyber-attack on NK, which seems effective against a small country.

Q&A

Q (Rep. Rohrabacher): So, what is the solution to the NK problem? Am I mistaken that I have heard quotes from the official head of the North Korean government threatening to rain mass destruction of some kind upon the US? Has he made actual threats to in some way kill millions of Americans with a nuclear attack?

A (Thornton): I don't know if he said those specific words, but there's certainly been a litany of threats including at Guam including videos showing bombs raining on American cities.

Q (Rep. Connolly): South Korea with abrogation of the FTA, which we worked so hard to get, President Trump accused the new South Korean president of appeasement. He threatened to cut off trade with any country that trades with North Korea. Well, that list is 80 including allies like India, Germany, Portugal, France, Thailand, the Philippines... Are we in fact going to cut off economic relations or trade with 80 nations? It's an empty threat he talked about a response by the US of fire and fury, but frankly the policy looks more like recklessness and failure. Ms. Thornton, is it the policy of the US government to abrogate the FTA with South Korea? And has anyone at the State Department looked at the negative consequences of such an action, especially at this time?

A (Thornton): Thank you. Yes, we have looked very carefully at the Korea free trade agreement chorus. We are currently undergoing a very rigorous review of all the provisions the USTR recently held.

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Q (Rep. Connolly): My question is direct, is it the position of the US Department of State to abrogate FTA with Korea, Korea would be helpful in our diplomatic efforts and in our efforts to respond to the North Korea threat at this time?

A (Thornton): No, I think what we'd like to do is work to improve the trade agreement at the same time that we work with South Korea, obviously on facing North Korea.

Q (Rep. Connolly): Is it the policy of State Department that the new president Moon of South Korea is engaged in a policy of appeasement in any respect with respect to the North?

A (Thornton): No, I think we've been working very hard to get the South Korea to come around and be on the same page as we and the rest of our allies and they've come around very nicely.

Q (Rep. Connolly): Thank you. Mr. Billingslea, like you I also served on the FRC and worked with your former boss miss Downes I was on the other side of the aisle but we actually made a lot of music together sometimes which always surprised the Reagan administration and the Bush Administration afterwards. You talked about China, so China's been violating and you provided some graphic evidence of that with impunity violating sanctions you know under other flags shipping coal and providing badly needed foreign exchange for the North Korea regime. They just signed unanimously on in this new round of sanctions do we have any reason to believe that that would signal a change in Chinese behavior for the better or is it another empty promise that will be violated with impunity and to be determined?

A (Billingslea): It's to be determined the reason I wanted to highlight for you the evasion scheme is that maritime enforcement now becomes crucial with the two UNSC resolutions that are in effect. Not sanctions but embargoes complete embargoes at least on paper of coal, iron, lead, now textiles seafood gasoline. Maritime enforcement of those UNSC resolution decisions which are building on all members of the UN that's going to be crucial going forward.

Q (Rep. Connolly): And if the chair would just indulge me with follow up question – Let's say we by tightening sanctions which I favor we get North Korea to the table saying uncle what do we give them in return? What are we prepared to do to entice North Korea that there's a pile of something at the end of the rainbow? If you freeze the program and start to reverse it under international observation...

A (Thornton): I think the Secretary of State has been pretty clear in public remarks that we'd be willing to look at economic enticements at development opportunities for their economy

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at their security concerns and other things that we've talked about during negotiations with them in the past. I think all of that would be on the table. We don't want to pay for negotiations or negotiate to get to the negotiating table. That's where we're right now at the end of the day.

Q (Rep. Chabot): Sanctions is something worthwhile to pursue. Obviously, China's the key has been for a long time, continues to be. It seems to me there are two things which could get China's attention.

- 1) Trade with the US. Some sanctions on banks may help, but it's not going to have the result we all want. And that's to avoid military action and get North Korea to back off this march to madness and their nuclear program. So, if we did cut off trade, would it have an adverse impact on the American economy? Of course, it would; however, I'd say that pales in comparison to the impact on the American economy if we see a thermonuclear device go off in Seattle or SF or LA or NY or Washington. So that's one thing that I think could get China's attention.
- 2) Keeping Japan or South Korea without their own nuclear programs. And I have thought for a long time that we should at least be discussing that with them, and I think the discussions alone could have gotten their attention to get them to put pressure on North Korea to back off.

It may be too late for that now, but could you comment on those two items which perhaps could get China to put sufficient pressure on North Korea to back away from this madness?

A (Thornton): I think we are certainly looking at every option to put more pressure on China. We're also using all of our global partners to speak up in it from their perspectives to put pressure on China because we do see China as the key to the solution of this problem. If we can get there, cutting off trade obviously would be a huge step. And there are a lot of ramifications of that. I think going after entities and banks is our way of going more directly after the North Korean angle here, but I agree with you that trade is preferable to seeing any kind of military confrontation, especially one that would involve people in the US. But on the issue of defenses in Japan and South Korea, we've certainly been talking to Japan and South Korea about beefing up their defenses and their ability to themselves take action in the event of an attack, and even those discussions have gotten China's attention. You probably know Chinese have been very vocal about their opposition to the THAAD deployment in South Korea, which we have moved ahead on now and deployed over and above their objections. And we have made clear that Japanese are seeking additional defensive systems to enable them to ward off any direct attack from North Korea, and I think it is quite clear already to the Chinese that this is an area that is going to be

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further developed if we can't rein in the threat from North Korea.

Q (Rep. Chabot): It's my view that short of one of those two actions we're going to continue down this path where Kim Jong Un will continue to move forward on this nuclear program, and that'll leave only the military option, which there's no good to come from that. We know if we take that action they can target Seoul and literally tens, hundreds, and maybe thousands of lives could be lost including American lives, so that's the last resort - although it may ultimately come to that. Or the alternative that some people are suggesting now that we have a nuclear China, we have a nuclear Russia, and we don't like that. So maybe we end up with a nuclear North Korea, which why can't we not allow that to happen? How are they different?

A (Thornton): A lot of times people talk about the North Koreans needing a nuclear program for their own defenses, the fact of the matter is that there's been basically a mutual deterrence in effect since the end of the Korean War. They have a conventional position that allows them to target Seoul, so the idea that they need nuclear weapons for their own defense when there's never been a retaliation for any of their provocative or hostile or even kinetic actions that they've taken is a bit of a bridge too far. So, I think the concern is that they are pursuing a nuclear program in order to use that program to conduct blackmail and hold other countries hostage and continue to undertake even worse steps in their behavior. Proliferation is another major concern, of course. It undermines the entire global non-proliferation system and would be, we presume, ripe for sale and sort of proliferation around the world.

Q (Rep. Cicilline): Ms. Thornton, you said we will never accept North Korea as a nuclear state. What did you mean by that? I mean, aren't they already a nuclear state?

A (Thornton): No, we do not recognize them as a nuclear state.

Q (Rep. Cicilline): And what does that mean?

A (Thornton): That means we do not recognize them as nuclear weapon state. We don't recognize their program, and we won't consider them to have nuclear weapons. We're pursuing denuclearization.

Q (Rep. Cicilline): Well the fact that you don't, we can't imagine it away - either they're a nuclear state or they're not. The recognition of one, I am not understanding that point. We have to have realistic context in order to shape policy options. But okay. Let's move on to Mr. Secretary, you said that UN resolution 2371 prevents 55 percent of refined petroleum products from coming into North Korea and the new sanctions prevent half billion dollars of coal, which

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leaves another half billion dollars of coal and about 45 percent of petroleum products. What am I understanding that our sanctions don't reach the balance of that and if not, why not so?

A (Billingslea): So, congressman, a couple of things. All coal is prohibited to be transacted that was under the prior secretary. It is not allowed to trade in North Korea coal period. Nor iron, lead...

Q (Rep. Cicilline): So those percentages relate to non-compliance.

A (Bilingslea): 55 percent number I gave you is kind of the fuzzy math done on how much gasoline versus crude oil is imported today into North Korea from China.

Q (Rep. Cicilline): The UN experts of North Korea in February found that China was using livelihood exemption to trade banned goods and allow companies to send rocket components to North Korea, and you both said that we need to see that happen – that is, compliance by the Chinese. You describe the Chinese as the center of gravity, and then Ms. Thornton you said if China doesn't comply with the sanctions we will use all the tools at our disposal. What are those tools, and why aren't we already using them? These sanctions sound good in a press release, but if they're not actually being honored by the parties they're not effective. What are the tools that you intend to use and why aren't we already using them?

A (Thornton): One of the things to remember, as assistant secretary mentioned, is that North Korea has been under sanctions for many decades. So, they're networked; it's a criminal enterprise, and their networks are deeply embedded. And they have designed them to escape detection. So, it is a little bit complicated to go after these things. But what I meant when I say using our tools, we have these international sanctions regimes, the international community has signed up to it and is obliged to enforce that. We have a running discussion with many of the countries around the world on information. We have about what we find is illicit networks and ask them to go after those. If they don't then we will use our domestic authorities to sanction those entities.

Q (Rep. Cicilline): I guess my question is, I think most military experts would acknowledge that there is not a good military option. So, if we surrender the use of the sanctions regime to produce the result that we want by not using every tool that's available to us, we in the end are acquiescing to North Korea's nuclear capabilities.

A (Thornton): Well, I think our strategy is to ramp up the sanctions and that's exactly what we've been doing. We've had two unanimous UN Security Council resolutions in two

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months, and that's unprecedented.

Q (Rep. Cicilline): I understand that, but they have to be implemented fully in a meaningful way. Otherwise they're nice resolutions, but it sends the wrong message. If North Korea doesn't see that there's real engagement by the Chinese, these sanctions won't work.

A (Thornton): Right. But that's exactly what we're working on, and I think on sanctions a lot of people say the sanctions won't work either. But in past cases where we've used sanctions, I just want to note you're a chump if you're implementing sanctions and they're not working until you're a genius when they do.

Q (Rep. Cicilline): No, I think sanctions do work if you implement. My last question is this – it seems to me that this suggestion that China is the center of gravity is right, and that the only way that will get China to fully implement the sanctions is for them to conclude that it's in their own interest to do that. And that will only happen when they arrive at the point that their fear of a unified Korean Peninsula aligned with the US is outweighed by their fear of a military conflict on the Korean Peninsula. I mean, I think that's the calculation. What are the strategies that the administration is pursuing that bring China to that point – where they conclude that it is in their interest to enforce the sanctions because the danger of a conflict on the peninsula is greater than their fear of some alignment by a unified cram pool in some of the US? Or do you agree or disagree with that?

A (Thornton): I think that's right. And I think we've seen the Chinese moving in their system for them pretty swiftly toward a recalculation of what they're worried about on the Korean Peninsula. They see North Korea's actions undermining their own security through the beefing up of defenses in their region, and they're certainly very alarmed at North Korea's behavior and the explosion of the sixth nuclear test. A hydrogen bomb right on their border is very concerning to them. So, I think we see them moving in this direction – it's not fast enough or deep enough for us to be satisfied. But we're certainly pushing them that and that direction and we have an ongoing conversation with them about this at the highest levels.

A (Billingslea): I would also add that the Banco Delta Asia sanctions had a crippling effect on the regime, but that was more than a decade ago. We have for the first time in more than a decade taking action against a case a Chinese bank. This bank of Dandong that was a very clear warning shot that the Chinese understood, and we are in repeated discussions with them that we cannot accept continued access to the international financial system by North Koreans through their financial networks.

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Q (Rep. Yoho): Do you guys have enough tools in your arsenal to make sure that the world community – because it can't be just us – and that's why sanctions haven't worked in the past, it has to be a buy-in from the world community, because this is something that's affecting all of the world community to get to a point where we have diplomacy that works, so that we don't have any kinetic conflicts. Certainly, this world does not want to see a nuclear device go off in a homeland of anybody's and this is this generation's fight to make sure this doesn't happen. Thornton, is there anything else that you need that would make these other countries complicit with the sanctions?

A (Thornton): We definitely believe that the UNSC actions are the most significant actions that we can take on the sanctions front, and that's because every country in the world is obligated to enforce its sanctions. It gives them the legal authority to do so, and it obliges them to do so. And it opens up a whole sphere of enforcement for us to work with other countries on. I think the most significant actions in the UN, which UNSC our representative ambassador Haley has undertaken, have been really key. The other key I think is our domestic enforcement authorities which back up the UN scheme.

Q (Rep. Yoho): You know North Korea was on the state sponsor of terrorism and certainly we can look at their acts that they've done, in fact you said that North Korea was using acts of intimidation, the word you used to describe terrorism, so when we took them off that the state sponsor of terrorism list, do you feel it would be important to put them back on that, and would it help toughen the sanctions and get compliance by the other countries?

A (Thornton): I think that state sponsor of terrorism is another statutory tool that we have, and certainly the secretary is looking at that in the context of North Korea.

Q (Rep. Schneider): I'd like to ask you if you could succinctly describe what our North Korea's goals is.

A (Thornton): I think it's pretty hard to get inside the mind of the North Korean leader, but I think he's been fairly clear in public statements that he seeks to complete his nuclear weapons program in order to be able to sit down at the table with us as a sort of nuclear weapons fully developed state and that seems part of the strategy.

Q (Rep. Schneider): But they're their long-term goals. Mr. Deputy Secretary, I really do have to defer to State Department on this my job is to drag them to the table through economic pressure but I defer to Department of State on how we got.

A (Thornton): I think that most experts on Korea would say that the main overarching goal, and I think one of the members mentioned the Juche philosophy, Representative Smith, I think that regime survival regime perpetuation is pretty much an overarching purpose and goal.

Q (Rep. Schneider): Okay, they can share collective wisdom, but how about China – because they have different goals obviously than ours in many ways. How would you describe their goals in this?

A (Thornton): I think dynamic China has been also clear in their public comments they don't want chaos, war, or nukes on the Korean peninsula. Those are their stated three main goals in this particular issue. Of course, they're also looking to maintain stability in their region and to create the conditions for further economic development.

Q (Rep. Schneider): Okay, so it seems that there's this shared perspective at least between the US and China that achieving each of our respective goals – denuclearization, elimination of that nuclear threat. We should have sanctions. Sanctions are the path to put pressure on Korea. But how do we create a clear message for North Korea that the only path for survival, the only path for them to achieve their goals, is through denuclearization, that they are taking the wrong path - what off-ramps, what mechanisms can we provide to show them that the way they're headed is a risk to their regime, a dire risk to their regime and every option being on the table and that there is a different path and that path is open to them?

A (Thornton): Well, it's difficult to do this when they're shooting ICBM's threatening Guam and exploding hydrogen bombs on the border of China. But I think we've been very clear in our public statements that denuclearization is the goal, we have used both words and actions to try to drive them in the direction that we want them to go. Public statements by US, by many of our partners and allies in messages directly to the North Korean regime, through public messaging, which the North Koreans are definitely picking up on to tell them that denuclearization is the only path to the survival for the regime. And we've been quite explicit about that. We're trying to show them that through our deterrence actions, sanctions, and diplomatic actions. And I think they're there. They have a different view so far, but we're continuing to press on that.

Q (Schneider): Is it better to have a clear consistent message that this is what how you take these steps, this is what we do, or is it better in your mind to leave uncertainty and perhaps having a mix of messages?

A (Thornton): I think it's good to have consistent clear messages especially for a regime

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like North Korea that has a very opaque communication system and difficulty probably for information to reach the top leader, which is why we use public messaging in some cases so that we can be sure that he can get it directly. But I think it's also important not to take any options off the table so that there is sufficient motivation for them to move toward the negotiating table.

Q (Rep. Kinzinger): I think how do you tell Iran that they can't have a nuclear weapon when the JCPOA is up actually, fairly soon when in face you've just given North Korean de-facto access to nuclear weapon? Let me ask Mr. Billingslea, when people go out and they say there really is no military option, even though it is unthinkable by the way military should be used in doomsday scenarios of which I think this ranks up there with doomsday scenarios. Does that strengthen diplomatic hand, does that strengthen your ability to get North Korea to the bail or doesn't weaken it?

A (Billingslea): I think we would be exceedingly unwise to take anything off the table. I was a Senate staffer up here on a committee on the Foreign Relations committee when the agreed framework was negotiated, and that was designed to freeze the Yongbyon reactor and so on and we gave all kinds of heavy fuel oil under the Clinton administration, and look, where we are now so this administration has made very clear at the cabinet level at the president himself that we're not going to kick this can down the road, we can't he's testing advanced nuclear designs and ICBMs, it is a matter of time now before he mates the warhead to the missile and poses and existential threat. Not just to our friends and allies but to us.

Q (Rep. Kinzinger): If we say as long as we have missile defense, we're unwilling to do what's difficult for North Korea, and we're unwilling to engage in economic actions against the Chinese, push the Chinese back in their territorial disputes in the South China Sea, whether if we do that can you talk about what the rest of the world will look? Will we de facto accept North Korea, what does that do to the JCPOA, what does that do to South Korea, Japan, other countries' nuclear ambitions, and what does that do to our moral authority to enforce the nuclear non-proliferation?

A (Billingslea): I'll defer to the Department of State on the broader implications, but I would tell you we are not willing to live with a nuclear North Korea. North Korea has proven that they are certainly willing to share nuclear technology with all manner of pariah regimes to sell capabilities, and can Basinger Bolton just had an op-ed where he pointed out, it was a recent anniversary of Israel strike a Syrian nuclear facility which was alleged to have been constructed with North Korean support for instance, so these are big issues. We are determined to induce the Chinese to help solve this problem.

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Q (Rep. Torres): I'd like to ask if you would agree we need to have a better, clear picture of North Korean revenues in order for our sanctions to be more effective?

A (Billingslea): Congresswoman, you are always going to find that I and the Treasury Department are interests in more intelligence not less. We are an intelligence driven organization. And the more precise information that can be generated, the better. I would say that we're at the point now where enforcement is crucial, and we have the various UNSC resolutions in the past where it was sometimes very difficult to judge the proper enforcement of these different provisions because they weren't complete embargoes.

Q (Rep. Torres): So you could get into arcane arguments about past embargo. That you can get is for the consumer to be more informed and for the consumer to say I will no longer purchase any good that comes from this country because they are failing to support us in ensuring that we have a nuclear safe world.

A (Billingslea): I agree a hundred percent, and I would highlight two particular areas you talked about labor. One of the successes that ambassador Haley has had at the UN is getting past the idea that we would just cap North Korean labor at whatever level it is to sale labor in these various countries. We're now under the new resolution passed last night. This is going to be wound down, that's important. Seafood is the other thing talk to consumers about to make sure that we go after any efforts to smuggle North Korean food in.

Q (Rep. Torres): Can you give me an estimate of what percentage of North Korean revenues are from illicit sources at this stage?

A (Billingslea): Virtually all revenue is now illicit and illegal because the UNSC has banned just about every single...

Q (Rep. Torres): What are our options in dealing with that maritime enforcement?

A (Billingslea): The single most important thing we can do is to enforce a complete prohibition on the sale of North Korean raw materials.

Q (Rep. Poe): I want to know what our options are, not just one, I want to know where we're going, we all want sanctions, well sanctions – What if Kim Jong-un doesn't stop? What's the US's plan and the contingency plan? Sure, we want sanctions, we want to cripple the economy, we want them to stop the slave trade, we want to do all those things, but what if he doesn't because little Kim he doesn't think like we do, so what's the rest of the options?

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A (Thornton): We have a strategy, and you all have heard from the secretary from other secretaries what strategy it is, it's the pressure strategy. We want to solve this through a negotiated settlement. Peacefully, but we are not taking any options off the table.

Q (Rep. Poe): We only have a minute so you have to kind of cut to the chase. What are the other options?

A (Thornton): Options to use force, sanctions, pressure to choke off the regime revenues, etc. to get them to come to the negotiating table. And we've been very clear about the strategy. We're not going to pay for negotiations, a has been one previously as you mentioned in history. When we've dealt with the regime, they've sought payoffs and we've made it very clear – the president and the secretary – that we're not going down that road this time, we're going to and together with the coalition of global partners choke off all of their economic revenue.

Q (Rep. Poe): And if so, we have a military option down the road if nothing works.

A (Thornton): Sure.

Q (Rep. Poe): Secretary Billingslea, would you agree with that?

A (Billingslea): Absolutely. And I've said we're not going to take any of those options off the table. I would additionally offer a much more precise level and you'll see in my full written remarks, but we're targeting two things here – we're targeting his access to hard currency because he needs these dollars for his WMD and missile programs, and we're targeting the way he still has access to the international financial system. We need to rip that out, root and stem, and that's what we're focused on – shutting down his access to hard currency through these new UN embargoes that ambassador Haley has successfully gotten in place. These are total cut-offs. You can't trade in North Korean coal; that is a huge percentage of the revenue left to this dictator given that we actually have relatively well shut off his arms trade in number of the other things he was trading in. He's basically been reduced to high volume, low margin commodities minerals and things like that, and we have to choke that off. But secondly, because of lack of enforcement in the international system by countries estimate about China today, we've Russia who still has access to the international financial system because he has North Korean brokers and agents operate with impunity brazenly abroad in foreign jurisdictions. That has to stop, and that is our next step.

Q (Rep. Liue): The trouble administration's goal is to denuclearize North Korea. That's correct, right? But we don't know how many nuclear weapons they have isn't that correct? You say that

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again and we also don't know where all those nuclear weapons are. Correct? They're pretty good at hiding them. So, in order to get rid of those weapons to get the trouble nuclear go through military force, we would need a ground invasion find those weapons and destroy them, is that correct?

A (Thornton): Right.

Q (Rep. Lieu): Since we don't know where the nuclear weapons are, we don't know how many they have in order to denuclearize North Korea, through a military option, we would need a ground invasion to find those weapons and destroy them, isn't that correct?

A (Billingslea): I suspect we'd need our Department of Defense colleagues here answer that.

Q (Rep. Lieu): No, for you to do your job you need to understand the military option, right? So, let me just go on. North Korea also has the knowledge to build nuclear weapons, isn't that correct?

A (Billingslea): Yes.

Q (Rep. Lieu): They've also got about 5000 tons of chemical weapons, isn't that correct? And then they have this massive conventional arsenal of rockets and artillery, and so on, correct? And they can launch all that at South Korea, they can use missiles against Japan, they can use missiles against Guam, where we've got hundreds of thousands of Americans in those three areas, correct? And where millions of civilians in all those areas correct? So, with any military option, we wouldn't be able to contain escalation, isn't that correct?

A (Thornton): I think there depends on... You're telling the story...

Q (Rep. Lieu): So, US defense secretary Mattis has said basically here are no good military options and the options would be very ugly which then leads me to believe that your job is very critical. We essentially have diplomacy and economic sanctions, it seems like if we're going to pursue diplomacy might not be a good idea to have an ambassador to South Korea that can help us. Why hasn't the president nominated an ambassador to South Korea?

A (Thornton): We're working on it, I know the secretary spoke to this the other day I think. We're working on it.

Q (Rep. Zeldin): Has the administration taken a public position on a red line? Do you believe

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we should have one? What does it look like? For me the red line should be that North Korea should not have the ability to deliver a nuclear warhead to the US, and there's still a component of their development that appears to not be there. So, we're pursuing it the diplomacy angle, we're pursuing the economic angle and the information angle, thinking of military options is the last possible option preparing the whole state of conventional to unconventional military options. What's that red line?

A (Thornton): Secretary and I are here representing the economic sanctions lever and the diplomatic levers in this, and I've said that we're determined to pursue a peaceful resolution through a negotiated settlement. Of course, we're not taking any options off the table. We realize this is a very difficult problem. So, what I would say about red lines is that we and the Secretary of State are determined to use this pressure campaign to get the North Korean regime to change its path and to come to the negotiating table with a serious set of proposals on denuclearization. How we verify that complete verifiable, irreversible denuclearization is what we're seeking through a negotiated settlement. We think we have a lot more room to go to squeeze them and increase the pressure of the international community, and I think we're continuing to see that strategy is working that the North Koreans are feeling that pressure. We are focused on getting them back to the table, so as far as red lines go for a military option, I would certainly want to defer that question to some future point.

Q (Rep. McCaul): Kim Jong-un has this North Korean Office 39 that raises revenue with drugs and illegal exports of minerals, as you mentioned, counterfeit cigarettes, and a lot of other things. What are we doing to try to counteract that? And, also, when it comes to proliferation and the sales of arms, can you tell me how much do you estimate North Korea is making of proliferation to countries like Iran and Syria?

A (Billingslea): One of the things that's very important to underscore is that they're not just sanctions; sanction is one of many tools we have. What we use to in effect collapse the bank of Dandong was not a sanction. It was a patriot section 311 under the PATRIOT Act action to root out the North Koreans in that Bank. In terms of the proliferation of weaponry, because of previous UNSC resolution we have been able to dry up much of the illicit sales that they were engaged in to various African regimes and so on. There are still several transactions that they would periodically float. We are actively engaging in various countries to deter signing of contracts and going down that road. It would be very unwise for them to take these actions. We are on a full-court press on this. Because of the success that ambassador Haley and the State Department have had at the UN, in effect you're asking about sort of illicit transactions, in effect nearly every export coming out of North Korea today as of last night, nearly every export is not

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illicit. Textiles are now illicit. You cannot trade in North Korean textiles. You cannot trade any basic minerals anymore. Under the previous administration, talking about Bureau 29 [39], one of the things they would do is sell these huge overpriced bronze statues and then the weapons were the kicker on the side as a little sweetener for paying six times the going rate for a bronze statue. So, that organization the Mansudae Fine Arts studio was sanctioned. And under our administration we started rooting out the rest of that particular arts and monuments, revenue generating schema. Korean labor is another category that they're getting significant money from, and with the results last night, there's now not a freeze or cap on North Korean laborers. There's a requirement to wind it down. I'm not a big fan of wind downs because it's really hard to verify that, but that is nevertheless a big step forward; and we intend to enforce that as well. I have reiterated on multiple occasions with counterparts in the Gulf and elsewhere that we need to see the North Koreans gone; the Department of State has been very active on this front, and we are seeing a drying up of revenue associated with the slave labor that the North Koreans employ.

Q (Rep. McCaul): Actually, to my past question, North Korean proliferating weapons to Iran and Syria...

A (Thornton): We do track any kind of illicit proliferation networks from the North Korea and go after those transactions again with colleagues at Treasury and other agencies in the US government, when we find them we try to block them or deter them. And we've had some success, it's a continuing effort on our part, and we devote a lot of attention to that in our Bureau of nonproliferation.

Q (Rep. McCaul): But it is happening.

A (Thornton): I think there are transactions that we are worried about, yes.

Report by: Huiwon Yun and Ayoung Kang, Research Interns



DATE: September 27, 2017

SUBJECT: An Update on North Korea's Abduction of Japanese Citizens | CSIS

MAIN POINTS:

- All agreed there are a number of things which can contribute to progress on the NK abduction issue and its resolution;
 - Senator Lee's Congress resolution for a Sneddon investigation, the passing of the National Defense Authorization Act to put pressure on China and Russia, placing NK back on the State Sponsor of Terrorism list, a 13-country coalition, behind-the-scenes diplomacy, the participation and cooperation of the SK government in a bipartisan manner, and a new Special Envoy to NK Human Rights.
- All agreed that a soft approach does not work as NK has no sincerity and has deceived and manipulated victim countries many times.
- David Sneddon's brother and mother agreed that most debates over what steps to take have been "silly", and that we must not forget the citizens of NK and view them as victims.

The event can be viewed at: <https://www.csis.org/events/update-north-koreas-abduction-japanese-citizens>), accessed 09/14/2017.

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EVENT OVERVIEW

Date: Wednesday, September 13, 2017)

Time: 9:00 a.m. - 10:30 a.m.

Location: CSIS Headquarters, 1616 Rhode Island Avenue NW, Washington DC

Attendees:

- **Host and Moderator, Michael J. Green**, Senior Vice President for Asia and Japan Chair, CSIS
- **Speaker, Michael Lee**, Rep. Senator – Utah, member of the Judiciary Committee, Chairman of the Antitrust, Competition Policy and Consumer Rights Subcommittee
- **Speaker, Keiji Furuya**, Member, House of Representatives, Former Minister in Charge of Abduction Issues

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- **Panel Discussant, Yoichi Shimada**, Vice President, National Association for the Rescue of Japanese Kidnapped by North Korea
 - **Panel Discussant, Eriko Yamatani**, Member, House of Councilors, Former Minister in Charge of Abduction Issues
 - **Panel Discussant, Takuya Yokota**, Secretary General, Association of Families Kidnapped by North Korea
-

SUMMARY

Michael Green, as moderator, began the discussion by introducing the speakers, Senator Mike Lee (rep. Utah), and Keiji Furuya.

Senator Mike Lee began by mentioning that Japan has suffered a great deal as a result of North Korea's criminal abductions, and that no country has done more to document these abductions or to make sure the world recognizes them. He highlights that decades ago, we would not be here; the abductions were less well known, not accepted as facts, the stuff of rumor, conjecture, conspiracy theories, and were seen as too tenuous or far fetched, even for the notorious hermit kingdom. He then discussed the disappearance of David Sneddon, in China in 2004, and his captivity and role in North Korea, currently, as an instructor to NK agents. He follows with statistics;

- 1) since Korean war; regime ordered the abduction of over 80,000 prominent South Koreans.
- 2) regime tricked 90,000 ethnic Koreans in Japan to travel to North Korea to build a worker's paradise.
- 3) over 100 abductions in Japan have been attributed to North Korea since then.
- 4) over 4000 South Korean fisherman have been abducted after run ins with North Korean intelligence vessels.
- 5) Pyongyang's reach extends far beyond Asia Pacific region; London, Copenhagen, Beirut.
- 6) the Committee for Human Rights in North Korea estimates that as many as 180,000 have been abducted by North Korea.

Lee followed by saying that the NK regime likely acknowledged the abductions in the hopes that it would lead to a multi-billion dollar reparations payment from Japan. He later emphasized that it is easy to lose sight of the abductions in light of the regime's more flagrant and obvious

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violations, and said: “In stark contrast to its nuclear program, abductions seem like quiet crimes, but they feel anything but quiet to us. Because of their quiet nature, it is up to the free world to be loud.”

He followed by discussing his proposed joint resolution in Congress, which encourages the state department and intelligence community to investigate all plausible explanations for David’s disappearance, including abduction by North Korea.

Green followed by bringing about the issue of China not being forthcoming on this issue, or on implementing sanctions against North Korea. He asked Lee: “Can you say something more about the prospects for legislation that would bring to bear some more sanctions and specific tools to get cooperation from China on some of these issues?”

Lee mentioned the possibility that the passing of the National Defense Authorization Act would apply more pressure by way of sanctions on China, encouraging them to be more forthcoming with what they know.

Furuya spoke next, introducing himself as a member of the House of Representatives, as the former abduction minister, and the current head of the Abduction Issues Caucus. He began by emphasizing the importance of making North Korea understand that there is no future for them if they continue this pace. Next, he discussed the historical background of the abduction issue;

- 1) North Korea engaged in its abduction activity of Japanese nationals mainly in the late 1970s to early 1980s, and continued somewhat into the 2000s.
- 2) The media reported North Korea’s abduction issues, but the public was skeptical of such an outrageous idea that goes against common sense.
- 3) The Japanese government and ruling party at that time had more interest in the normalization of the bilateral relations with North Korea, so they were rather passive in recognizing the abduction issue. Similarly, the US government pointed to the lack of concrete evidence as a reason to avoid the issue.
- 4) In the 1990s, Megumi Yokota became an abductee at the age of 13 and became the symbol of the abduction victims, and received much attention from the media, leading to the issue receiving much attention. This effort has invigorated public discussion which consequently led the central government to officially identify the abductees.

Furuya followed by discussing the motives for North Korea’s abductions, namely; the need for instructors of North Korean agents, and the need for printing engineers for the purpose of

fabricating counterfeit dollar bills. He mentioned that these abductions were targeted not solely to citizens of Japan or South Korea but of 13 countries. He then highlighted that state abductions of another country's citizens is a criminal act equivalent to terrorism, and that he, along with others in Japan very much feel that North Korea should be placed back on the State Sponsors of Terrorism (SST) list, which it was taken off of by the US in 2008. He added that cooperation between our two governments will be integral to solving this issue.

Mr. Yamata, a second House of Representatives member, then added to Furuya's speech, by saying that although missiles and nuclear issues are of course something everyone is interested in, kidnapping is really the ultimate form of infringement on human rights. He added that it is unbelievable that this is continuing, and that Japan must work to solve this issue, and that he hopes the US, Japan's ally, will work with Japan to clear up this abduction issue.

Green then invited panel members to join him on stage.

Green began the discussion by saying that when working for the Bush administration, the team, along with lawyers, agreed that North Korea would not be lifted from the SST list until there was substantive progress on the issue of abductees. The intention, he said, was to keep the pressure on NK and to recognize that this was a kind of terrorism, even though it didn't fit the exact legal definition the State Department had used. At the time it was lifted from the list in 2008, many critics in American academia and media were saying that Japan was an obstacle to diplomacy with North Korea, because Japan was keeping the focus on the abductee issue. Green stated that he found this stunning, and that he said so publically. He followed by saying that those days are behind us, now that there is much more recognition and evidence of North Korea's human rights record. He highlighted that even China and Russia, who continue to block efforts at the UN, can not ignore this. In conclusion to his short introduction, Green asked to the panel: What can we (think tanks, intellectuals, the media, Congress, the administration), do to help you move forward on this issue?

Takuto Yokota was the first to answer, highlighting that in talks with North Korea, either involving Japan or the United States, a soft approach really never works, and that we need a strong approach to them. He added that there was one thing he would like to request from the US, which is for NK to be relisted on the State Sponsor of Terrorism list, in that their removal may have led NK to continue its outrageous actions.

Green followed by asking Eriko Yamatani, to give her thoughts on what she has learned in this process, and asked how she sees the politics of this issue in Japan or around the world, and what

the next step is from her perspective.

Yamatani began by introducing herself as the former Minister of Abduction Issues, having set up a special committee to investigate the abductions, now serving as Chair, and as the LDP head of the Task Force for Abduction Issues. She first mentioned that the Abe government has paid the utmost attention to this issue of abductions by North Korea, that he along with President Tom have been very interested in the issue and are aware of the deep nature of this problem, and that she is glad that President Trump is as interested in the issue as the Japanese are. She added that Bush's strong opposition to North Korean nuclear weapons and his title of North Korea as a member of the axis of evil put much pressure on NK and may have led to Kim Jong-il to admit that NK had abducted Japanese citizens. She then mentioned that there are a number of different and serious issues in NK, including the cyberterrorism issue, and emphasized that we need to keep in mind that NK may bring us to edge of disaster. She added that there has been more media attention to the issue, but there are important steps up ahead:

- 1) increased international cooperation with Japan
- 2) North Korea's placement on the SST list
- 3) The UNSC taking up this issue and strengthening sanctions on NK, perhaps passing a resolution or at least talking about passing a resolution dealing with this issue.

Green then asked Yoichi Shimada to share his thoughts on what must be done, and the effectiveness of the US and Japanese approach.

Shimada began by mentioning how discouraged he felt when the US took NK off the list of SST. Japan was critical of this decision, and many believed North Korea was tricking the US on the nuclear issue. He then discussed a WSJ interview with Robert Gates, in which Mr. Gates argued that the US should admit that NK has nuclear warheads, and should put less importance on humanitarian issues and instead deal more with the nuclear issue. Shimada argued that by disregarding the human rights issue, the abduction issue is also neglected. He followed by agreeing with other panelists, in that he would like the US-Japan cooperation to continue.

Green followed by saying that placing NK on the SST list was designed to incentivize NK to give the US a preliminary document on their nuclear capabilities. The US lifted NK from that list and got nothing. Green said: "it was a complete bait and switch by NK." He argued that in his view, a lot of people would agree it is time to put NK back on the list, and that it is very important both to demonstrate as a matter of fact that NK is sponsoring terrorism, and as a demonstration of the US commitment to the issue and its solidarity with Japan and the other

countries who have suffered. He argued that we will not move to normal diplomatic relations with this regime, anytime soon, if ever.

Shimada argued that now is not the time for diplomatic efforts, because once a dialogue is opened, sanctions must be loosened towards NK. In his opinion, it must be done behind the scenes. He argued, however, that by interacting in an open manner, such as six party talks, China and Russia will probably pull them behind. He next mentioned that the reason why NK is not releasing Sneddon, or Yokota, is because they are serving as instructors for NK agents who are now all over the world. Once the abductees are released, he said, they will point to those people to whom they have given instruction.

Yokota then began by saying that he and his group questioned what aid, in the form of tens of thousands of tons of rice in the name of human right support, leads to, as this aid did not lead to resolutions. North Korean nationals are victims, he said, but even if we approach NK with good will, it does not lead to anything, so it is something that we must hold firmly.

Yamatani next spoke about NK's lack of sincerity and manipulation of information. By compromising and trying to approach them, we have all been betrayed by them. She argued that we must pressure them to realize that they must change to be a part of the international community.

Green agreed, saying that the media likes a big show, and NK uses that. Quiet diplomacy without drama, without bribes, he argued, is the right way to handle this going forward. He emphasized that in Japan, tensions with regards to abductions are very high and very bipartisan. South Korea, however, has many more abducted citizens, yet their politics are much more divided.

Shimada followed by saying that the Moon administration has done many things which we could call appeasement. For now, he argued, we think this is a good juncture to work with SK, and we do esteem their efforts. He then mentioned that Japan is concerned with the historical issues that have existed between our countries. In 2015, he said, Japan and South Korea were to have universally settled this issue, but unfortunately there have been efforts to overturn that, and efforts to again bring up historical issues. He mentioned that this has damaged our efforts, and that he hopes there will not be obstacles to the efforts between our two countries.

Matsubara, a lower House member of the Japanese Diet in charge of the NK abduction issue, agreed that it is very important for NK to be put back on the list, and for the US to be the leader of a 13-country coalition. In his opinion, the abduction issue might be a way to reel in NK and

deal with the nuclear issue as well.

Tasukara, the secretariat of the members of the diet working on the abduction issue, mentioned that he was also living in Nigata at the time of Megumi's abduction, and that it affected him directly and profoundly. He added that the international community needs to be very strong in strengthening pressure on NK.

Green, concluding the panel discussion, reviewed the arguments made:

- 1) The importance of designating NK as SST
- 2) Senator Lee pushing for a thorough investigation into the Sneddon case (Green mentioned that it is his sense that if Senator Lee does not push this issue in the Senate, it will not happen naturally.)
- 3) Greater linkages with the 13 countries
- 4) Working with the Moon administration, as SK will be the most influential of these countries on this issue. If SK and Japan are involved, it is much harder for Beijing to ignore.

Green then argued that one more should be added:

- 5) Replacing Bob King with the new Ambassador for NKHR.

He mentioned that while many senior officials think it is inefficient to have so many special envoys when the Assistant Secretary for Asia should have such responsibility, it is an essential position, due to the need for someone who is accountable to that issue in Congress and to the public, and that will not be scared of cutting through bureaucratic lines and of upsetting diplomatic relations to get some progress.

Q&A

Q: I am James Sneddon, brother of David Sneddon. I do not have any planned remarks, but will try to speak directly, candidly and from the heart. Yokota, we thank you for your support and your example for us. I know my mother has mentioned your mom and how much she appreciates her diligence and vigilance in this matter. As we can see they are no longer young, and your mother has been suffering for 40 plus years. I know what it feels like as a son to watch a mother suffer the loss of her child, the heartache is real and the sorrow remains. I am glad for these

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forums and that it keeps this at the center of attention, although, some of the dialogue, I find somewhat silly. That we debate whether or not NK is a state of terrorism is silly. There are clearly things that are evil and clearly things that are good. If you use the analogy of NK as a child, they do nothing but throw tantrums, and that immaturity on the world stage. In my mind, if it was an individual, we would incarcerate them. This is not a debatable subject. Obviously there is diplomacy, and people will say I'm naïve, as we have to work among people and policies and government officials, and I understand, I'm not a foolish man. But I think these things are almost silly at this point. They have played the debate and the negotiation game superbly, and from my perspective we have received nothing in return. I agree with diplomacy behind the scenes, don't let them use the press to their advantage, and move forward. I think our family feels very strongly, this is much more than David or Megumi or these abductees. Certainly that is an area of focus for us. But ultimately this is about the people of NK who are oppressed and who cannot live humane lives for the most part. I lived in Japan for 5 years, I started my career in Japan. I remember seeing a documentary where they had taken hidden cameras in and were filming the conditions of a starving nation. I saw children in the street drinking out of puddles of mud. That was 20 years ago. I saw a documentary recently about a doctor from Mongolia doing cataract surgery for the citizens of NK. After they had taken the bandages off their eyes, the first times they could see in years, with the doctor standing in front of them, there was not a simple thank you. They went immediately to a wall, with a picture of Kim Jong-il, and said "thank you great leader". The fact that you have a society where people don't recognize natural gratitude for someone who helps them see, either with fear, or the inability to understand the human dynamic. When you see children drinking muddy water in the street, it is oppressive beyond any description. To not call that a terrorist state, to not call that wrong, to not call it for what it is, we are irresponsible as citizens of the free society. It is not debate anymore. It is what it is. It's time to not only bring David home but free the people of NK. The debate is over in my mind. that's my words.

A (Green): I appreciate your comments. They are spot on. We all agree with you. How do we galvanize this growing consensus in US and Japan, spread it to other countries, get more concrete action, more resources, more focus, get a special envoy to NK who will focus on this. We are human beings, and this is a horrific x2 state. We will keep focus on this. Thank you.

Q: I am David's mother. When it was first discovered that David could be in NK, a lot of people thought we were crazy. Yokota I want to make sure you let your mother know; when I get discouraged I think of her, and I keep going, and I so grateful for her example. If anything comes out of this, I want to see the people of NK free. That's my goal. If we've sacrificed our son, and it helps bring to NK the freedom and the standard of living that we enjoy, I'm a dreamer, I will

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be very grateful. Thank you for what you're doing here today.

A (Green): With that we will conclude. Thank you.

Report by: Chloe Pulfer, Research Intern



DATE: September 26, 2017

SUBJECT: Weighing Bad Options: Past Diplomacy with North Korea and Alliance Options | Carnegie Endowment for International Peace | US-Japan Research Institute

MAIN POINTS:

- With continued development of North Korean missiles and nuclear weapons, all must recognize the serious threat posed by North Korea.
- North Korea's fear of dismal precedents of dictators who surrendered nuclear power and accelerated development of nuclear power will prevent North Korea from giving up nuclear weapons.
- It is essential to involve China to exert more pressure on North Korea, as China is growing increasingly impatient with behaviors of North Korea.
- US and allies must clearly communicate to North Korea the unyielding objective of denuclearization of the Korean Peninsula while engaging in an open discussion with China to resolve its concern of involvement in the North Korea nuclear problem.

The event can be viewed at: <https://youtu.be/hUly509U60>, accessed 09/19/2017.

EVENT OVERVIEW

Date: Monday, September 18, 2017

Time: 2:00 p.m. - 3:30 p.m.

Location: Carnegie Endowment for International Peace, 1779 Massachusetts Ave NW, Washington, DC 20036

Attendees:

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- **Christopher Hill**, Dean, Josef Korbel School of International Studies at the University of Denver
 - **Mitoji Yabunaka**, Professor, Ritsumeikan University and Osaka University
 - **Keiji Nakatsuji**, Professor, Ritsumeikan University
 - **Douglas H. Paal**, Vice President, Studies at the Carnegie Endowment for International Peace
 - **James L. Schoff**, Moderator, Senior Fellow, Carnegie Asia Program
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SUMMARY

Introduction

Today as Japanese citizens unfortunately grow accustomed to missile warning sirens and text messages, it is worth remembering that a decade ago this month the second phase actions in the six-party talks were jointly decided for implementing North Korean denuclearization in exchange for diplomatic normalization and economic cooperation. A year later, however, the six-party talks collapsed. This was the last major diplomatic initiatives to address the so-called North Korea problem. Two former diplomats who were deeply involved in this past dialogue with North Korea and who remain active scholars in the region, Chris Hill and Mitoji Yabunaka, joined the panel and reflected on events a decade ago and put them into present context, which

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involves new leaders, new technology, and new balances of power in the region. If we tried to launch a diplomatic surge with North Korea, how might we go about it, and what should we keep in mind?

Christopher Hill: Where we were, where we are at, and where we should go

There has been a sense of cynicism that crept into this process of diplomacy with North Korea, a sense that nothing can and will work. During the six-party talk ten years ago, many felt that any kind of negotiation with North Korea was illusory. US scholars and politicians should come together and discuss to dispel such belief because it sends a dangerous message to the North Korean hardliners – that Americans are convinced that North Koreans will never give up nuclear weapons. Some view that North Korea is just trying to be taken seriously by obtaining a nuclear weapon, that North Korea can easily be contained. US needs to recognize that this is a much more serious problem because we are seeing North Korean missiles that are no longer just “test versions” of missiles. It is clear that they have a production process. North Koreans are seeking to somehow decouple the US from the Korean Peninsula, and perhaps more broadly, from Northeast Asia. In case North Korea invades South Korea – which happened before – North Korea will warn US to not intervene by threatening to hold one of American cities at risk of nuclear attack. At that point, the American president has strong incentive to blink on South Korea and decide that South Koreans can handle this themselves. Although it may be a fanciful idea, the probability is indeed greater than zero.

Several things we need to do is to reassure our allies, be willing to negotiate, and work with China. First, US must reassure allies such as South Korea and Japan that they will be not blinked on. Second, US unwillingness to negotiate will push North Korea to have nuclear weapons. The third element is the most critical, and that is working with China. We need to have a serious sit-down discussion with the Chinese instead of tweeting and giving telephone calls. We need a real effort to understand each other and resolve concerns China may have in US involvement in North Korea issue, such as security problem and its effect on internal politics of China. Some argue that we should have a pre-emptive strike against North Korea. This would be one of the most difficult options because we would not get all their nuclear materials and we will need to convince South Koreans to approve of such contingent military attack.

Mitoji Yabunaka: Japanese concern over North Korea problem

While the six-party talks is often evaluated as a failure, the past circumstances granted hopeful outcomes at the time. In 2003, North Korea committed to abandon all nuclear weapons. One year prior to that 2005, the joint statement accompanied Japanese Prime Minister Koizumi who went

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to Pyongyang for the second time. Kim Jong-il explicitly stated to Prime Minister Koizumi that while North Korea believes it is useless to hold nuclear weapons, it is yet deemed necessary to withstand hostile American policy. They agreed to abandon all nuclear weapons in 2005. And yet, one year after that North Korea conducted a nuke test. Financial sanctions from the international community followed. Situation worsened after Kim Jong-un succeeded his father and became determined to go for nuclear and missile development. His need for nuclear weapon as a foundation to legitimacy against rising coups in North Korea and the unfavorable outcome of Qaddafi who gave up nuclear power in Libya both provide strong incentives for Kim Jong-un to continue his pursuit.

There are three options to deal with North Korea: military, sanctions, and negotiation. It is impossible to consider military option because their missiles are so much more advanced that retaliation is possible. As for sanctions, the UNSC resolutions are encouraging. But unfortunately, it is doubted whether it is enough to stop North Korean ambition since it falls short of a total ban or total embargo of oil and trade that will significantly deter North Korea. And China would not be willing to go too far due to unpredictable outcomes such as potential refugee problems, military action along the border, etc. The third option is to negotiate a resolution based upon sanctions after sanctions. Nonetheless, Japan has concern over this option because US may settle for freezing of the nuclear weapon instead of complete denuclearization, which is riskier for Japan that is already within the range of North Korean missiles. Therefore, the most important thing is to make objective aim very clear –denuclearization. North Korea is seeking to negotiate with US alone so they can elevate their status and become equal partner with US. President Trump might be interest in having that sort of bilateral talks instead of six-country talk. However, Japan and South Korea must be involved as key players. We need to push China to become more involved to add weight to our diplomacy efforts by persuading them that acquiescing to North Korean nuclear buildup will lead to open road for proliferation in East Asia. It is a difficult road, but a new sense of emergency and crisis must unite all countries to deter North Korea.

Keiji Nakatsuji: A View from Tokyo

First, I want to touch upon the petroleum embargo. In 1941, US imposed petroleum embargo against Japan. Prime Minister Tojo along with other military leaders knew that within half a year or so a Japanese military would become inactive. So, Japan decided to start war with the US. In that short period, the Japanese decision may not be so “irrational” as it decided to take extreme measures in response to extreme circumstances. Petroleum embargo with North Korea is also a critical decision that requires caution. The restraining attitude of Russia and China in this matter

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is appreciated.

Korean War started June 25th, 1950. Three days later, Seoul fell down. This is the problem of military option. This is no Syrian missile shooting case at all. A question to consider is, at what extent does President Trump understand geographical nearness of Seoul to the conflict? And Kim Jong-un seems to be learning lessons historical lessons, from the case of Saddam Hussein or Qaddafi. So, this is another case of learning history wrongly.

Douglas H. Paal: Chinese Position on North Korea Issue

Nuclear capabilities are a fundamental element of survival for North Korea. The death of Muammar Qaddafi in the desert after surrendering his nuclear, chemical, and biological warfare capabilities to international community and US causes North Korea to fear giving up weapons. Nuclear testing has been increasingly successful with the missiles and the nuclear weapons, it is even more difficult for North Koreans to give up. This combination of the fear factor and the having it almost in your hands factors really make North Korea problem a tough one.

Furthermore, although we have not seen real shift in Chinese position toward putting extreme pressure on North Korea, credible Chinese scholars who retain influence in government circles are increasingly saying North Korea is now fundamentally threatening Chinese interests with its behavior. For example, the approximate thermonuclear test along the Chinese borders could go wrong that could hurt Chinese, pollute the atmosphere, etc. The war on the Korean Peninsula would fundamentally endanger Chinese interests due to fear of uncontrollable refugee flows and the costly need to intervene to protect the nuclear weapons from being falling into the hands of reckless non-state parties. China in the latest two resolutions of the UNSC certainly have gone further than they have before. Yet China will naturally avoid legally committing itself to imposing sanctions to have maximum flexibility.

It is also significant to note that we are in the period leading up to the 19th Party Congress in China. China wants to maintain stability and get smoothly through the 19th Party Congress without any exogenous factors emerging. A lot of work between now and sometime after the 19th Party Congress needs to be done so that we can communicate positions of the US with respect to containment and deterrence of North Korea. The UN General Assembly that is meeting this week is a fantastic opportunity to do that kind of work.

Q&A

Q (Schoff): I wanted to ask in general, what do you think is a productive balance of all these different types of tools – diplomatic tools – to try to affect North Korean calculus?

A (Nakatsuji): To have productive negotiations with North Korea, you need to make persistent, consistent, and clear expression of your position. For example, in 2003, everyone said that North Korea would never come to the six-party talks. However, North Korea joined the negotiation table when they saw US President Bush attacking Iraq at that time. You have to send a very coherent, strong message to North Korea. Mixed messages such as a tweet about “fire and fury” along with a remark saying “I’m honored to meet Kim Jong-un” from the White House may be confusing to North Korea.

A (Hill): I think that’s right. What you’re trying to say to them is that we’re not going to live with a nuclear North Korea. We just cannot accept that. So, we are going to walk away from this. We’re going to continue to come after you. I remember only half-joking if you open a bank account on the moon we’ll go back to the moon and shut it down. And in short, trying to make the point that if you think your security is better with nuclear weapons, think again. And I think sharpening the choices for them and making them understand that this is not a cost-free endeavor is important. They need to be clear that they are setting on a course. It’s not just isolation. You know, that doesn’t seem to be their worst nightmare, but we will in effect go after you wherever we can and never give you a night’s sleep. That’s another message. I think it is an extremely mixed and dangerous message to suggest that somehow there’s some level of nuclear North Korea that we can accept. And in that regard, I would call people’s attention to some of the things that North Korea has said of late, including to Japan suggesting that the geography notwithstanding, they can somehow imagine a future without Japan, namely, “sinking Japanese islands” now. This is sort of stuff that prize fighters say before a fight. But those are pretty serious words. So, I would simply caution people on the notion that somehow once North Korea obtains a couple of nuclear weapons this thing will all quiet down. I don’t see the evidence to support that. For that reason, I think we need to be very clear about our concerns.

Q (Schoff): That’s a matter also of timing in terms of as long as the ultimate destination is denuclearization. And I was enjoying reading your book outpost Chris (Hill), and I had not realized that you had raised the issue of an “interest section” back in 2007. And I gathered from the way you wrote it with the approval of President Bush all for that but the North Korea was not interested?

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A (Hill): It was interesting because the Chinese were pushing that because they really felt the interest section worked very well after the Shanghai Accords. They would also often describe North Korea as China several decades ago. I'm not sure if that's particularly accurate, but they were taught about that. They really pushed the idea of an interest section. So, I kind of went back to Washington, people kind of looked at me like I was some kind of crazy accommodationist. I think it'd be a nice thing to offer and if we could be in that position I think we could show that we're prepared to move ahead. So, finally I had to go right up to the president. Okay, we can offer that. So, I offered for North Korea, and they responded, "Are you kidding? We have no interest in an interest section." So, it didn't really get anywhere. One other message I gave to them pretty consistently, which was with denuclearization, is that everything's possible. They always wanted us to halt the exercises. And I always said, "Look, my only regret about exercises is we didn't have them in the spring of 1950." But I did tell them that in the context of denuclearization, I can imagine mutual pullbacks, mutual confidence building measures on conventional forces. I told them in the context of denuclearization, we can look at everything. But lacking denuclearization, we frankly can't look at much of anything.

Q (Joseph Bosco): Joe Bosco. Formerly with the Defense Department. A question for ambassador Hill. I'd like to play out the scenario, ambassador, that you laid out – that North Korea's motivation is either to use a nuclear shield for the purpose of aggression against the South or to decouple the US from the alliance system. You indicated such situation would be a calamity for the international strategic position around the world. My question to you is, what would China's view of that outcome be? Wouldn't that also serve China's interest? And hasn't the North Korean program been serving China's interests making it posed as the responsible stakeholder and the good-faith negotiator, meanwhile distracting the US diplomatically in every other way?

A (Hill): I think I will defer to my colleague Doug Paal on Chinese interests, but I will say I don't think there's a consensus within China on this issue of North Korea. And I think that failure to develop a consensus has been harmful, really, to China's role. And maybe after this 19th Party Congress there will be more of a consensus, but I don't think there is a consensus. I would say there is a body of opinion especially in China's security system, and if Steve Bannon thinks we have a deep stake he ought to get a load of what goes on in China. But you know, among those 20 million policemen in China, I think there's a view that somehow US troops on the Korean Peninsula are bigger threat than North Korean mischief. I think that exists. I think it's less prevalent in think tanks and less prevalent frankly in more senior levels. But I think it's very much there as a view, and I think to your point, when China and Russia joined with a freeze-for-freeze proposal, suggesting they freeze their tests – which I think frankly freezing tests is not

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going to freeze that nuclear program – in return for our freezing exercises, if I were a North Korean I would have gladly accepted that. So, I think that does kind of represent what you're addressing. But I'll close by saying if we solve this and we turn around to see how do we solve it, I think it's very unlikely that we would have or will have solved it without cooperation with China. And to the extent what we can solve it, I think we will probably find that working with China not just with tweets, but I mean with really serious effort with China was one of the main agreements, main elements ingredients in our having solved it. So, I just US China relationship is one I would call too big to fail, and I think we just have to keep at them and see what we can get out of it.

A (Paal): At the most generous level taking up from Christopher's comment on solving the problem, Chinese generally don't see problems to be solved. They see problems to be dealt with, to be handled. They've got 14 untrusting neighbors on the land borders of China. And they know they're not going to solve the India, and they're not going to solve the others. They're just going to deal with them what may come. So, they don't have the same impetus that Americans tend to jump in and try to solve things. Secondly, you're right, there's a very deeply held body of opinion that it's in China's interest to keep the US bogged down on the Korean Peninsula, not able to expand its influence tying down resources that cannot be focused on China. I think there's some erosion in this view, partly due to the very important decision to put the Terminal High-Altitude Area Defense (THAAD) system into South Korea. They've actually turned this issue around in South Korea where the popular polls were showing real affection growing for China and declining for the US. That's now been really reversed by China's heavy-handed approach. And I think a lot of the people who I mentioned earlier, the Chinese commentators, who have credibility, are starting to say this is hurting Chinese interest, not just what I mentioned which is potential radiation damage to Chinese or the refugee flows, but also reputational damage, since China is aligning itself with the wrong end of history in North Korea and not with South Korea which has a great future. The decisions have not been made, and I think before the 19th Party Congress, it would be a decision they don't want to make. But comparable to our continued American focus on the Middle East – and we've got a lot of cabinet and senior people now we're all focused on the Middle East – that suits China's long-term interests. It keeps us from focusing on China to focus on these area where China doesn't have a dog in the fight.

Q (Michael D. Mossetig): Mike Mossetig, PBS online news hour. Given that these have been multilateral negotiations, how do you assess the role of South Korea? You've dealt with liberal governments, conservative governments, and now we have a liberal government that's having to act and talk like it's a conservative government. How does all this parse out?

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A (Nakatsuji): From my view point, certainly we used to have and we still have Japan-US-ROK trilateral mechanism and consolidating oppositions' very family, and to counter with whatever occasions to go against North Korea, or even with China and Russia. Now, of course, as you say that South Koreans' positions may differ from time to time from president to president. But I think that I, myself, certainly even today, as they are saying a bit differently from Japan or a bit different from the US, that's also an asset. We can unite together. And I'm hopeful for that matter because they have their own reasons to say this and that. And there are many generations, the people in South Korea who have a different view: younger generations and older generations. But as a whole, I think that I'm confident that we can overcome any differences. Also, Japan, South Korea and China have a kind of concerted mechanism. We have to use it. And so, I think I don't mind the different views from South Korea, and we can kind of create a unified position even within that sort of differences.

A (Hill): By the way, when we go from one administration to another, it's not exactly seamless either. I mean, we've had our problems getting continuity. So, I think the South Koreans have done okay.

A (Paal): I would just add on this. I think there's a role with these progressive governments in South Korea for the good cop and bad cop on relationship with North Korea. You know, US can stand tough and other allies can be tough with us, but the South Koreans will have their interests in humanitarian relief and in various kinds of economic exchanges. So long as they're firm with us on the security side, there ought to be room for them to explore what might be available through the various means they've had over the decades, none of which has led us to Nirvana but the ability to let off steam from time to time. Now, having said that, I think this particular government came into office not equipped to do that because they have won the popular vote for presidency but they're far behind in the National Assembly, and their immediate priority is of domestic. And they're going to focus on getting the next elections in June to raise their level of support in the assembly, and to that end are focused primarily on domestic reforms, not on foreign policy. This means they tend to do whatever we ask them to do because they want to just keep that from the biggest source of trouble.

A (Yabunaka): I guess many of you heard our Prime Minister Abe that he's about to implement another general election, maybe taking advantage of a very extreme posture of Kim Jong-un. And we have discussed the decoupling possibility of our alliance system, but it seems Kim Jong-un is connecting us. And the Prime Minister Abe has been taking advantage of North Korea issue to implement and to realize his nationalistic policies last ten years or so. And this time alone, Kim Jong-un is doing too much so that we are having not perfect but still very

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important coalition among five other powers including China I think.

A (Hill): Now I think managing the alliance partners is perhaps an even greater task than managing the relationship with China. And so, I think we need to be careful, especially how we manage South Korea through a trend, through internal transitions. And I think Doug is quite right, this is about internal politics in South Korea, and I would start by suggesting that it's not very helpful to call the South Koreans appeasers.

Q (Zhong Hua Lu): Zhong Hua Lu from South China Morning Post. From the US, I mean White House of State Department, we are hearing a lot about talking about the sticks but not carrots. Instead, the US said the North Korean needed to do more first as a precondition to going back to negotiating table. So, I wonder if, is it time for US to make some offer to the North some carrots, and if so, what kind of carrots? What kind of offer could this administration offer? And given that in the UNSC it is already a lot of sanctions on oil supply or any other seafood or textile, is there enough room for US to make such offer in order to get North Korea back to the negotiating table?

A (Hill): First of all, North Korea agreed to denuclearize. They didn't just agree to it to the US, they agreed to it with all the five partners of the six parties. They agreed to a complete denuclearization of their country. Four years later, they said tried to say nope, we no longer agree to it. So, what the US has asked for is that North Korea, if to rejoin the talks, they should rejoin the talks on the basis of what the talks are. And the purpose of the talks it's not just to talk. It's to have the denuclearization as we politely said of the Korean Peninsula. So, that is not a precondition. The alternative is to just have talks and no sense of what they think the purpose of the talks are. And sometimes we hear the North Korean say, well they would like to have talks at the base of one nuclear country to another. Well, that doesn't really work for what we're what we have in mind. So, I don't call this a precondition. I just call this North Korea's case of not acknowledging what it previously agreed. But let's say we have a situation where North Korea does want to get back to talks on the basis of denuclearization, but they don't want to say that, they just want to simply reverse themselves and agree to something they haven't agreed to in years. That's what talks about talks are about. That's how you sit down and say okay, we understand we're going meet next Tuesday, you will reaffirm your position, but by the end of the week by certain dates, you will have an agreement on North Korea rejoining the talks on the basis of the purpose of the talks. I mean, you can work this stuff out, but what I want to emphasize is North Korea has shown zero interest in talks now. They have continued to say that they will not have talks about denuclearization. In fact, they even put in their constitution that they are a nuclear weapons state. So, this is a bit of a problem for us. And I don't think we're to

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blame for the fact that they refused to join disarmament talks. So, again, I look at my career diplomat, and I always support talks. But I think we need to be realistic about the purpose of the talks. And if it's something like look, we'll denuclearize, but we need some carrots from, we need some indication that you're trying to do something positive rather than all negative, because we don't want to say we're denuclearizing because of all these sanctions you've taken. Again, we can work that out, but the problem is they have not started that conversation at all.

A (Nakatsuji): This is not a time to show any kind of carrots because, as you know, North Korea just went for the nuke test, launching missiles, and took provocative actions after provocative actions. And then to show them carrots? It's not the time to do so. So, show our readiness or seriousness, and then finally, they come to the table then certainly many negotiations can take place.

Q (Florence): Florence, Global America Business Institute. My question is sort of a follow-up of the previous question. I understand the consequences of accepting nuclear North. However, six-party talks about ten years ago was about CBID, and without completely verifiable irreversible denuclearization of North Korea. It didn't work. Meanwhile, North Korea developed more advanced program. Wouldn't it be more difficult to give up nuclear program when you have more advanced and more powerful program? And I also understand that when we approach North Korea there should be a constant unison, unified voice. Is it a dialogue first, or denuclearization first? Which one is first? They're two very different processes that will bring in North Korea to the table.

A (Hill): First of all, I don't think we have a chicken and egg problem of dialogue first or denuclearization first. That's what talks about talks could deal with. But I think we need to be very clear. North Korea decided not to give us any kind of verification in the regime in 2008. They gave us a declaration which we felt was incomplete, but we accepted it, with understanding we needed verification which is some kind of international standard. And they refused to give us any verification. Now, was this because they didn't want to deal with the Bush administration anymore, and deal with Obama administration? Whatever. They did not give us any verification. In the meantime, they continued to develop weapons. Very serious program has continued. And then to make the argument "we continued to make nuclear weapons, and now it's kind of hard to give them up since we worked so hard on this" is kind of an argument that I have a little trouble with my six-year-old making that argument, let alone a country. So, again, if they want to get out of the issue that they've put themselves into, there are plenty of channels. They know our telephone number. And I want to emphasize something that Mr. Yabunaka said, that in the earlier time when the US alone dealt with North Korea, no one else had a role. That's over. I

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mean, true, you know, Japan needs to be there, equal party to the talks, South Korea, Russia too, they have a border there. And so, I think it's very important that we all be there. Sometimes when you can't make any progress, you say well, we have six-party talks, but maybe it should be seven parties or 66 parties or whatever. But the issue is that North Korea has refused to engage in these negotiations, and that is the problem we're facing.

A (Yabunaka): Of course, 2010 and today, they have developed more missiles and nuclear. Also in 2010 we didn't have this kind of sanctions. 90 percent of the trade is cut. This kind of an international coordination has not taken place at that time. So, one way or another, we have to keep working on that. And by the way, that was before Qaddafi. So, this whole argument that we looked at Qaddafi and we felt bad about that, I don't think quite just holds up to the time sequence.

Report by: Ayoung Kang, Research Intern



DATE: October 12, 2017

SUBJECT: The North Korean Nuclear Problem | UNA-NCA

MAIN POINTS:

- There is nothing new “under the sun” with regards to arms control and non-proliferation.
- The difference with past decades is that Trump has adopted a new agenda, a “muddle approach” filled with a lack of clarity and uncertainty; language is important.
- North Korea is not likely to relinquish its nuclear program because of its proximity to its goal, and its leader seems to have learned from the Saddam and Gaddafi cases. The likeliness of a nuclear freeze is “as close to never as you can get.”
- The US must persuade NK that there are incentives for them to enter discussions. The US must make the concession of publically giving up the desire for a nuclear-free peninsula. “Both sides have to give a little, but have little to give.”

EVENT OVERVIEW

Date: Wednesday, September 20, 2017

Time: 4:00 p.m. - 5:30 p.m.

Location: Russell Senate Office Building, Room 325 Kennedy Caucus Room, 2 Constitution Ave NE, Washington, DC 20002

Attendees:

- **Host, Robert Craft**, Co-Chair, International Law Committee
- **Host, Renee Doplick**, Co-Chair, International Law Committee

Committee for Human Rights in North Korea (HRNK)
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- **Speaker, Thomas Graham Jr.**, US Special Ambassador, Executive Chairman of the Board of Directors, Lightbridge Corp.
 - **Speaker, Missy Ryan**, Reporter, Washington Post
-

SUMMARY

Renee Doplick began the panel discussion by asking the two speakers for some background and context with regards to North Korea's nuclear endeavours; how long NK's nuclear program has been active, what the past US approaches have been, and what future options are feasible.

Ambassador Graham answered first, asserting that this is *one of those* issues for which there really isn't a solution. He suggested that the US must learn to be patient and steady, to protect its interests and keep the pressure on NK. He emphasized that there is no quick fix. Next, he presented a brief timeline; pressure began during the first Bush administration during which the US thought that NK may have built small reactors. Later, NK became big time policy during the Clinton administration, as the UNSC was essentially planning war with NK in 1994. Next, during the second Bush administration, the situation took a turn for the worse, whereby NK withdrew from the Non-Proliferation Treaty and began processing spent fuel for plutonium. Bush was not able to make progress. Obama, Ambassador Graham said, practiced strategic patience, with not much success, and no renegotiations. He emphasized that it is important to keep perspective, as we have been here before. What is different, is that the American leader has adopted a new agenda. Ambassador Graham noted that NK is interested in survival, money and security assurances from the US, as well as to be recognized as a nuclear weapons state and a Great Power, but that KJU seems impatient and reckless.

Mrs. Doplick followed by asking the speakers how dangerous the NK issue currently is.

Missy Ryan answered, saying that the Trump administration and the US military are taking threats very seriously. She emphasized that this is not a new problem, it has continued through four presidential administrations. The difference now, she said, is that advances in missile and nuclear program is putting NK in striking distance of reaching the US mainland. This has impacted how tightly NK leaders want to hold on to their nuclear program in the face of international pressure. She noted that due to their proximity to the North Koreans achieving their goals, they are less likely to cease the program. She also presented the example of Saddam in Iraq and Gaddafi in Libya, as lessons learned by the North Korean leadership as to their fate.

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if they were to relinquish their offensive program.

Mrs. Doplick continued by asking if the public discussion is only concerned with a nuclear threat; “what about conventional forces?”, she asked.

Ambassador Graham answered that these forces have been there for a long time, and that NK has the capacity to, in fact, turn Seoul into a “sea of fire,” if the opposed allies don’t get to them first. Although, he said, due to the sanctions and the passage of time, North Korea’s conventional forces are not quite as efficient as they once were, but are still quite significant.

Mrs. Ryan quickly agreed, saying that military advancement has been something that has been a preeminent goal, and above all else for the NK state.

Renee Doplick next asked what the US approaches to NK have been, and where this issue sits in the priority list of foreign affairs.

Missy Ryan argued that Trump’s approach has been a “muddle approach”; going from Trump saying he might meet with leaders, to issuing threats, and making statements that appear to be at odds with Tillerson and Mattis. She added that a lack of clarity compounds the issue, and that from her perspective, American leadership is currently most concerned with this NK issue and Russia.

Mrs. Doplick added that, initially, there were less incentives, less aid, less “carrots”, followed by Obama’s strategic patience, and a current occurrence of a “peaceful pressure campaign”. She asked: “What do you hear as to whether these pressures are being effective?”

Missy Ryan began by saying that Mattis has stated that these pressures are working. The shows of force around the Korean peninsula, she added, proves that the administration has reiterated the commitment to the defense of SK and Japan. She emphasized that all options are on the table, and that military action is always an option. She mentioned, however, that there is currently an uncertainty of what US, NK, and SK triggers are, and that based on the style and contradictory statements from Trump, things are unclear.

Ambassador Graham next discussed the bottom lines; the “4 NO’s”: no regime change, no creating chaos, no attack on NK, and 1 other (Graham had forgotten). He mentioned that he was sure that there are certain things NK might be willing to discuss, but that the US and its allies

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must create an atmosphere that persuades NK into seeing that there is something in it for them.

Renee Doplick asked how the US can we improve clarity, improve diplomatic channels in addition to a pressure campaign, and how the US can move things forward to where NK would consider coming to the negotiation table. She also asked Mrs. Ryan if she could address the role of media; “does it have a responsibility to dial it back a little?”

Ambassador Graham spoke first, arguing that some kind of exchange, for example, a moratorium on NK testing in exchange for ceased military activity in the south, may be something that may be worth talking about. He added that there are not many good options, because both sides have so little to give.

Ryan argued that Trump needs to articulate a clear policy, what American objectives are, and what the parameters are. Regarding news media, she said, it is an interesting time to be reporter, as there is much antagonism between the White House and the media. She added that her duty is to report accurately, but that this is difficult when reporters are not provided facts as they previously were.

The Ambassador agreed, saying that a clear policy would be helpful, and that language use is important. He mentioned that an argument has been made that what the President stated in New York was classic deterrence policy, but that he used words that made it sound much more dramatic; “wiping them out completely”, which gives the impression that the White House is in a different place than the Secretary Of State and the Secretary Of Defense. This makes US policy unclear.

Mrs. Doplick next asked what the likeliness of NK coming to the negotiating table was.

Ryan said she thinks it's possible. She argued that NK has demonstrated in the past a willingness to make serious concessions when it feels it is in its benefit. However, she believes that because NK is now in striking distance, it is less likely.

Mrs. Renee Doplick asked the speakers if there is a possibility of a nuclear freeze on the Korean peninsula, and “what are we looking at with Japan and SK given these circumstances, does this complicated the situation?”

Ambassador Graham replied, “That’s one of the big questions... Never say never, but it’s as

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close to never as you can get.” He emphasized that it was very very unlikely, as this is what NK has wanted for many years, as their key to survival. He added, “If there’s an 8th nuclear weapons state, and its NK, there’s going to be a 9th, and it’s going to be Japan.” He added, however, that it would be such a wrench, from the positions of Japan and SK as champions of NPTs, in eliminating nuclear weapons from earth, and that it will still take a lot more for them to take that step.

Renee Doplick followed by asking the speakers what would the world accepting NK as a nuclear state mean for other countries of region, including India, Pakistan, and Afghanistan.

Missy Ryan began by saying that Pakistan is instructive and potentially provides an example; it is a constant if troubled ally, yet, she said, we live with a nuclear Pakistan. “Here we can see a potential scenario that may be possible with North Korea.” She followed by saying that a real realist foreign policy may come to accept North Korea as part of that club, which could lead to a reduction in danger, to re-establishing diplomatic relations, and to an arrangement whereby the South and other actors in the region would have a dialogue with NK that would remove some of the antagonism is currently seen.

Ambassador Graham mentioned that there is a lot that can and should be done. He proposed negotiating measures to make accidents or reckless acts less likely. He said: “We can’t prevent harm unless we are prepared to give up at least publically, and practically, the desire for a nuclear weapons-free peninsula. North Korea will not enter discussions if we are still trying to get them to give up their nuclear weapons.”

Mrs. Doplick asked a final question: “Particularly as we face a digital age, what about the long term? If we do have states looking at this as a call for nuclear proliferation, how do we threaten the global regime so we can combat that?”

Ryan stressed the importance of respect for international law and the strengthening of international organizations. “Trump’s actions in the climate accord and his attitude towards the UN and other parts of international architecture really does disservice to that.”

Q&A

Q: John Burton with Korea Times. I have two questions, one for the Ambassador. The consensus seems to be towards a containment policy towards North Korea, which would imply at some

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point that an arms control agreement would have to be signed with North Korea, à la Soviet Union. Do you think that that is that possible?

My other question is for Ms. Ryan, and that is: You've had criticism lately, for example, from the editor of 38North, and from the editor of the Bulletin for Atomic Scientists, criticising US media coverages being sensational, so I would like you to comment on that.

A (Graham): The situation is different of course, because the Cold War is over. We were dealing with a country that had the capacity to destroy the US at least 10 time over. And of course, we had the same capability. So we were dealing with a situation where, really, the flick of a switch in the wrong direction at the wrong time would destroy the entire world. So this was a much bigger threat than North Korea presents to us today. It was a very dangerous threat. There were at least 6 occasions where we were minutes away from total destruction of the US and the Soviet Union. Nevertheless, it is a dangerous situation, someday not too far off, North Korea will have the capability to destroy several American cities. And that's unacceptable. We have to find a way to reduce that threat. The Soviet Union had a vast arms control bureaucracy, like we did. But the North Koreans do not have that. They have a few people that are used to working with the Americans, who do have experience with arms control, but only a few. So on one hand, it's going to be more difficult, but on the other hand it is maybe a little bit less technically complicated but not politically complicated. I do think that the same techniques, approaches, concepts, and same deterrence based philosophies will have to be resuscitated but at the end of the day it's going to take a lot of time if we are to work through this safely.

A (Ryan): To the question about sensationalism, first of all, I would take those comments seriously and I should think that there is something to it. I don't know if I would use the word sensational, but there is a tendency to enhance or focus on the most – it's not just this issue obviously – dramatic element of situations. While the topic and policy is not new, that all options are on the table, which both Obama and Bush said, Trump is saying it differently but the policy itself is the same.

For the second point, there is a lot made from the perception of disarray among the Trump administration, and I think that all would say: look we want peaceful settlement, but of course we will take military action to defend ourselves as necessary. And I think that sometimes people tend to enhance the contrast between Trump statements and those of people like Mattis and Tillerson. But speaking for myself, all we can, and what I try to do as a reporter, is try to report and provide as much context as possible. It's hard for it not to come across as a dramatic situation when it is a dramatic situation. I think that sometimes the context is lost, I don't want to blame the reader, but the context is hard to hold on to the fact that some of this has been said

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before.

A (Graham): In a sense, there's nothing new under the sun with regards to arms control and non-proliferation. Just a little personal story, when I joined the arms control agency in 1970, the first assignment I was given was to work on missile defense. Well, the issues I was working then are exactly the same as people re working on today. Nothing much has changed. Much of what we're saying, although Kim Jong-un adds an element of difference, and Trump too, basically the issues are the same. The initiative and desires are the same, the subjects are the same. It is entirely possible that 25 years from now we will be having a similar discussion.

Q: Ed Elmendorf from the UN Association. I'd like you to explore a little bit about the possibility of drawing new and different kinds of lessons from past experience, engaging in negotiations in the last 25 years for the North Korea situation. I think particularly about what happened in the Berlin Negotiations of the 1970s, which led to the recognition of East Germany, as a state, by the US when it had been a non-entity before, and it became a member of the UN, and that softened things quite a bit. I think also of the Iran nuclear deal, which was preceded by many years of private talks at the non-government level. The Iran project you probably know about. Would something like that be feasible in the case of North Korea, particularly when we have this public non-dialogue and rhetoric which makes formal negotiations so difficult.

A (Graham): One thing that enables there to be such a rich non-governmental dialogue on Iran is because Iran is a country where people are highly educated and there were lawyer meetings. There were people and experts that they could provide to these NGO meetings to understand the situation, and they understood the issues. I'm not even sure that North Korea even has lawyers, and I doubt if they even have the kind of human resources that would permit a very rich non-governmental dialogue. It would be limited, needless to say.

Q: (Anonymous): In context of slightly deeper history where it could be argued that economic sanctions against Japan triggered, or tipped the decision to enter the war against us. Chinese intervention at the end of the Korean War, and the fact that Korea's experience with total destruction already came at that point. I wonder how you would balance the use of severe economic sanctions placed on Chinese institutes to make the point that we're willing to accept serious economic harm, and imposing the greater economic harm, to avoid the far greater destruction that China seems to fear, the chaos of a post-conflict North Korea. Its seems to me that so far that card has not been played. So I wonder if you think that entails too many risks. And also, whether you have ever negotiated an arms control agreement where

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economic sanctions were a severe driving force to come to that agreement.

A (Graham): Sanctions are really not a part of an arms control negotiation. In the Iran case, sanctions were there, introduced by the SC and individual states, and the Obama administration negotiating with the P5+1 to impose these extremely severe sanctions that broke Iranian economy and forced them to the table. North Korea does not have an economy that can be broken. One thing that would truly break and might severely damage North Korea would be a complete shut down of oil and gas imports. China is not willing and will never be willing to do that because they fear it will create chaos. I just don't think it's possible.

A (Ryan): I disagree. The reason why that hasn't worked out with North Korea, is that the leadership has shown it is willing to set severe pain on their population, and the economy, and continue to divert what resources do exist, and I think that's the key difference with Iran. I think it's an interesting idea, what leverage does the US have over China to apply pressure, and I think that it doesn't have that leverage in any clear capacity. I think it's unlikely to occur in the interdependence of the American and Chinese economy.

Q: Laura Henderson, an independent consultant. Ambassador Graham, I was wondering, given your expertise on non-proliferation, have you thought of personally reaching out to the White House or to the leaders in the Senate and House Foreign Affairs Committees, to give them any of your rich insights. Because, as a citizen, and someone who has worked in international development, I would say that we're in a very scary period, and yesterday was a day of very incendiary language, talking about destroying the country, and calling the person "rocket man" and such, I think we are in a period when we need people such as yourself to be reaching out to those who do have power, and may make some decisions that may or may not be well informed. So, I'm wondering what role you might play going forward.

A (Graham): Would I and have I? Congress aside, I'll tell you a brief story. There was a man named Warren Zimmerman, American ambassador, very experienced, and he was the last US Ambassador to a unified Yugoslavia under the first Bush. And then, when the Clinton administration took office, and Yugoslavia fell apart, and broke into a series of civil wars, how many telephone calls do you think the White House made to Zimmerman asking for advice? People who are in do not want to hear from people who are out. It's the way it is. It shouldn't be that way, I thought it was ridiculous that we didn't reach out to Zimmerman, but "oh no, we can't do that, he was in the other administration." Congress is a little different. I have spoken to a few members, given the opportunity, I would certainly do that. There are many members, so it's

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not a monolith like the executive branch. There are one or two I talk with regularly, but no.

Report by: Chloe Pulfer, Research Intern



DATE: September 28, 2017

SUBJECT: A Round Table Discussion with the Venerable Pomnyun Sunim | The Maureen and Mike Mansfield Foundation

MAIN POINTS:

- It is a huge miscalculation to think that China can solve the North Korean problem.
- North Korea is used to being economically isolated, and its economy has been improving, so more economic sanctions will cause suffering, but will not kill the regime.
- The United States should acknowledge that North Korea is a nuclear weapons-capable state.
- The United States and South Korea should stop talking about preemptive strike on North Korea and engage in face-to-face dialogue with Pyongyang.
- The United States and North Korea must resolve the security crisis before they can initiate the dialogue, and South Korea's role should be to move the two countries toward dialogue.
- In the current chicken game between the United States and North Korea, the United States is the stronger side and therefore should give up more to solve the problem in a peaceful way.

EVENT OVERVIEW

Date: Monday, September 25, 2017

Time: 10:30 a.m. – 12:00 p.m.

Location: The Maureen and Mike Mansfield Foundation, 1156 15th Street, NW Suite 1105,

Committee for Human Rights in North Korea (HRNK)
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Attendees:

- **The Venerable Pomnyun Sunim**, Founder and Guiding Zen Master, Jungto Society | Founder, Good Friends for Peace, Human Rights, and Refugee Issues

SUMMARY

Frank Januzzi, the CEO of the Maureen and Mike Mansfield Foundation, introduced the Venerable Pomnyun Sunim. He asked Pomnyun Sunim to speak about strategic situations in North Korea, the perspectives of Seoul (how people in South Korea see North Korean issues), and how to find peace in the international society.

The Venerable Pomnyun Sunim introduced himself as working for the Peace Foundation. He visited Washington D.C. with two purposes. The one is to speak about how to deal with peace issues on the Korean peninsula, and the other is to give inner peace to people. He said that he planned to give a lecture to overseas Koreans living in Virginia and Maryland, and to students at American University.

Pomnyun Sunim said that North Korea (NK) and the United States (US) demonstrate their military powers nowadays and these military actions make everybody concerned. Even in the United Nations, which was established for world peace, they declare to destroy each other. In his view, it is not only a bilateral issue but also every country's issue. He argued that other countries in the UN should stand up to protest against hostile actions between the US and NK.

The reason why the tension between the US and NK escalates is because both consider their self-pride a very important factor, according to Pomnyun Sunim. The United States strongly insists it cannot admit North Korea having nuclear weapons, and North Korea argues it cannot give up their nuclear missiles. Pomnyun Sunim said that they are both irrational and emotional.

He mentioned his conclusion first; in this case of chicken game, he thought that it is better for the strong party to give way to the weaker party because the strong has more options than the weak. He argued that US should make a concession not because it is the US, but because it is the stronger one. He stated that it would lead to peaceful solution of this tension.

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Pomnyun Sunim argued there are multiple ways to solve the NK nuclear crisis peacefully. However, he said that it is difficult to solve it because of political reasons. The United States and North Korea both have their own domestic issues. To gain domestic support, it is difficult for both the US and NK to back down.

Pomnyun Sunim stated that in order to find out the way to relieve the tension and gain real strategic interests, it is important to understand why we are engaged in this fight, for what end. In his point of view, the strategic interests of US in East Asia for the long term are to win over China. He explained that there are three regional issues between US and China. The one is Southeast Asia Sea, another is Senkaku Islands, and the other is Korean peninsula. The first two regions are where US' and Chinese interests have direct conflicts. The Korean peninsula is the place where they have indirect conflicts. That was why he thought it is more possible that military conflicts would occur on the Korean peninsula.

He had doubts about the United States urging China to solve North Korean nuclear problems and whether it would be helpful for US' real interests. He said that North Korea is not listening to not only the United States but also China. In his opinion, China thinks South Korea is the weakest link among the United States, Japan, and South Korea trilateral alliances. So it puts lots of pressure on South Korea including THAAD retaliation to make South Korea renounce the alliance. He argued that because China has strong strategic interests even on South Korea, it is impossible for China to give up its strategic interests on North Korea. He said that although China doesn't want current North Korea because NK is now a headache for China, it still wants to sustain NK regime as a buffer zone. China now cooperates with the United States and South Korea because it wants to control North Korea which doesn't want to be under the Chinese security umbrella. North Korea pursues self-reliance with its *juche* ideology. However, the cooperation between China and the US will not last long because China ultimately wants to sustain the NK regime.

He also argued that even if sanctions succeed and stop North Korea to develop nuclear missiles, all the benefits would go to China. If North Korea has difficulties because of sanctions, it would rely on China and be under the Chinese nuclear umbrella. He explained a possible scenario after North Korea being under the Chinese security umbrella. He stated that in this case, there would be no need for South Korea to get any military help from the United States. He expected that economic ties between South Korea and the United States would also be weakened because of FTA issues. Based on these reasons, he argued that South Korea would pursue unification while

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cooperating with China. He argued that there is high probability of this happening when imagining 30 years later. However, if China fails to have North Korea under its security umbrella, the conflict between North Korea and the United States will continue. That is why he insisted that US should reexamine its policy towards NK. He strongly argued that the US should talk with NK.

Pomnyun Sunim said that it is impossible for North Korea to completely abandon its nuclear programs because of its security concerns and domestic political reasons. He said that what we can choose now is to convince them to stop. Although it was possible in 2005 and now it became even more difficult, he believed that we could still freeze North Korean nuclear program. He argued that we could make North Korea stop nuclear experiments, stop increasing production of nuclear materials, and stop missile tests. However, he acknowledged it is hard to bring this idea up to an open table because whoever brings it up will have difficult situations.

He continued to insist that pressuring North Korea would face failure. He said it would cause nuclear development of North Korea to be even faster, and it would lead to nuclear proliferation. In conclusion, he thought Trump's pressure tactic should be changed to negotiation and dialogue policy with North Korea.

He stated that no one could be fully satisfied through negotiations, but there would be long-term strategic benefits. He argued that once agreements are made, it would be kept. He said that trilateral agreement by the United States, South Korea, and North Korea is especially needed. It could lead to North Korean economic development. In his point of view, as North Korea has cheap labor force we could stop relying on Chinese labor and utilize North Korean labor.

He also argued that there is no need to worry about cost for unification. Through close economic cooperation, it could be easily solved. He also mentioned strategic benefits of cooperating with NK, and one example was to set up a naval foothold in Chongjin and Rason in NK. In his opinion, if the peaceful relationship between North Korea and South Korea is achieved, the front line would be naturally moved to the Amnokgang (Yalu River) and the Tumen River. He also argued that in this case, North Korea would give up nuclear weapons.

Pomnyun Sunim kept emphasizing that the military option by US would cause too much sacrifice. It would be miscalculation if the US considers NK as similar cases with Iraq or Syria. At the background of North Korea, there is China so that it is hard to send ground forces to North Korea. In addition to that, if North Korean regime collapses, pro-Chinese government would take

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place of it. He raised a question why we should pursue a policy which is dangerous and doesn't have practical benefit. And he added that he emotionally agreed with it but underlined that it is irrational. He argued that we should think of not only peace but also strategic interests.

The United States denounced South Korea free-riding on US security and defense efforts. However, it is not true, said Pomnyun Sunim. He stated that South Korea has received help from the United States, but South Korea also plays an important role for projecting US interest. He also argued there should be no war on the Korean peninsula not only for South Korea but also for interests of the United States.

Another point he also stressed was that it is not appropriate to outsource solutions to China. He said that economic sanction is inevitable, but it is miscalculation to think that it would succeed. It can make them suffer but it cannot kill them. In North Korean economy, trade is of little importance. China consists of the most part of North Korean trade but it doesn't mean that China could therefore control North Korea, he said. In addition to that, surprisingly, he observed that North Korean economy has been improving for past 4-5 years. The market is in some degree settled, and food supply is stabilized even though food is still scarce. The daily necessities are now being replaced by North Korean products.

As a conclusion, Pomnyun Sunim emphasized the importance of negotiation and dialogue with North Korea.

Q&A

Q (Frank Jannuzi, the Maureen and Mike Mansfield Foundation): You mentioned that North Korean motivation for nuclear weapons is from its insecurity and domestic political reasons. I wonder there might be one other possible motivation. People are now more concerned about the coercive, offensive stance by NK. North Korea might use nuclear weapons to threaten the United States, South Korea, and Japan in order to coerce South Korea to abandon its alliance and to reunify under the direction of NK. Does North Korea have this ambition?

A (Pomnyun Sunim): North Korea strongly argues it will use nuclear weapons to the United States and its allies. However, the United States, South Korea, and Japan would not submit to the threat. Then why NK says like this? I think it's North Korean domestic

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propaganda. North Korean economy is weaker and more unstable than South Korean economy so that many people surmise that unification would be led by South Korea. It weakens North Koreans' loyalty to the regime. Therefore, NK makes efforts to increase the possibility of North Korean centrality in case of unification.

The main policy of the United States and South Korea towards North Korea is preemptive strike. However, the preparation for preemptive strike should be stopped as it doesn't have realistic benefits. Especially, US should argue that it doesn't have any intention to attack the regime. Moon Jae-in administration has underscored this argument but it is not enough because NK thinks that US takes the initiative. In short, another reason why North Korea keeps offensive stance is that the United States insists preemptive strike.

Q (Dan Aum, the National Bureau of Asian Research): Does Trump truly have intention to attack North Korea? Or does he take an offensive stance because of domestic political reasons?

A (Pomnyun Sunim): It seems that Trump also takes an aggressive stance because of domestic political reasons. There is a solution about NK nuclear crisis, but it is hard to address it because it's rarely digested by domestic political issues. I don't know whether it's appropriate or not, but here is an analogy. There are two gangsters. One of them brings out his knife and threatens the other to kill, but he doesn't really mean it. Then the other should step back. However, if the other shows bigger power and provokes to stab him then there will be no way other than stabbing. It makes matters worse. They are stuck in the situation and tensions are escalating.

Q (Hayley Aron, the Maureen and Mike Mansfield Foundation): How to make North Korea come to the negotiation table?

A (Pomnyun Sunim): It is difficult to make North Korea come to the negotiation table by threatening. North Korea doesn't have intention to surrender so we have to give them good excuses. And it is important not to impose pre-conditions. If there are pre-conditions, North Korea would not come to the negotiation table. Negotiation and dialogue are necessary and I think it is probable that North Korea would agree on having negotiation.

Q (So-yeon Kim, RFK): Do you think the effort of South Korean government to change the stance of the United States is sufficient? Do you think South Korean government should argue that we should make North Korea stop nuclear experiments, not denuclearization?

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A (Pomnyun Sunim): North Korea always thinks that they have a fight against the United States. Their main enemy is US. Therefore, they think security issues should be resolved with the United States, not with South Korea. However, South Korea doesn't fully understand this North Korean perspective. Therefore, South Korea should play a leading role to create an atmosphere for negotiation between NK and US. For example, South Korea can make economic investment in North Korea. As the benefits from peace and unification are for South Korea, so it is better for South Korea to invest in North Korea. Only after the negotiation between North Korea and the United States proceeds, the negotiation between North Korea and South Korea could take place.

Report by: Lee Jihye, Research Intern



DATE: October 2, 2017

SUBJECT: Schieffer Series: North Korea: Next Steps | Center for Strategic and International Studies

MAIN POINTS:

- Sue Mi Terry said that North Korea's alleged redline is nuclear weapons proliferation and it is capable of conducting a nuclear test into the Pacific Ocean, referring to the North Korean officer who said North Korea will not give up its nuclear weapons when it is very close to completing the program.
- Michael Green emphasized that the US should be in lockstep with its allies, explaining that South Koreans put in place standard rules of engagement that if they get hit they hit back one level higher and that the current South Korean government is much more risk-averse and much more pro-engagement and suspicious of the military than the previous government.

The event can be viewed at: https://www.csis.org/events/schieffer-series-north-korea-next-steps?__s=icrqdp9qsp6ow5qr2puy, accessed 10/01/2017.

EVENT OVERVIEW

Date: Tuesday, September 26, 2017

Time: 5:00 p.m. - 6:30 p.m.

Location: CSIS Headquarters, 1616 Rhode Island Avenue, NW Washington, DC 20036

Attendees:

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- **Bob Schieffer**, Trustee, CSIS
- **David Sanger**, Chief Washington Correspondent, The New York Times
- **Michael J. Green**, Senior Vice President for Asia and Japan Chair, CSIS
- **Sue Mi Terry**, Former Korea Analyst, Central Intelligence Agency; Former Korea Director, National Security Council

SUMMARY

Introductory Remarks

Bob Schieffer

Bob Schieffer started by quoting from an article in The New Yorker by Evan Osnos, which he wrote after coming back from North Korea. Osnos wrote, and Schieffer quotes, “Our grasp of North Korea’s beliefs and expectations is not much better than their grasp of ours. To go between Washington and Pyongyang at this nuclear moment is to be struck by just how little the two countries understand each other.” Schieffer goes on to say, “In 18 years of reporting, I have never felt as much uncertainty at the end of a project, a feeling that nobody – not the diplomats, the strategists, or the scholars who have devoted their lives to this subject – is able to describe with confidence how the other side thinks or what they expect.” Schieffer then asked three panelists to comment on this article.

Opening Comments by Panelists

Sue Mi Terry

Sue Mi Terry said that she would agree with that. First of all, NK is the hardest target state because it is the most difficult country to figure out. In addition to that, the hardest thing to understand is the intentions of the regime because we do not have enough human intelligence and it is the most isolated country in the world. Therefore, we are in a very risky situation here where we do not quite understand them, and the regime has a really hard time understanding us at this juncture. They are used to doing certain things and there was certain predictability from the US government and certain action they are used to getting. However, now that there is a lot of unpredictability from the Trump administration, so there would be a lot of questions from

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their side too. There is a huge debate among the Korea Watchers community right now, and that is because we do not understand the regime's intentions. At the end of the day, if everything – the pressure measures, sanctions, dialogue – fails and NK ultimately achieves this capability to attack the US with a nuclear-tipped intercontinental ballistic missile, the question here would be if we could live with a nuclear NK and if traditional deterrence and containment, which worked against the Soviet Union would work against the N. Korean regime. And there is actual debate about this because we do not quite understand regime intentions.

There are Korea Watchers who say, “Yes, of course, because we live with nuclear Russia, nuclear China, nuclear India and Pakistan, so why can't we live with nuclear North Korea when Kim Jong-un is all about regime survival?” There are other Korea Watchers who say “No, we cannot ultimately live with nuclear NK because their end goal is not just survival, but to unify the Korean Peninsula by force,” which means that after they achieve the capability to attack the US, they will push US forces out of the Korean peninsula and then try to unify the Korean peninsula by force. She said that we do not really understand because we cannot get at what Kim Jong-un is really thinking right now.

Michael J. Green

Michael J. Green said that he would agree with Evan Osnos' observation broadly, and yet there is no diplomatic resolution to this problem, and the North Koreans are not going to negotiate away their nuclear weapons.

In one of the negotiations in Pyongyang in 2002, we confronted the North Koreans with knowledge of their secret uranium enrichment program. They were cheating on the previous deal, and yet they denied it. Green said that the head of the delegation, Jim Kelly, asked me to engage in a broad discussion with the head of the North Korean delegation, Kim Kye-gwan, on the world situation. Kim Kye-gwan then gave this description of world system in Asia based on Kim Il-sung-ism. The amazing thing was that this was their number two diplomat who traveled around the world. He believed it. He really believed that Kim Il-sung-ism could explain all developments in the world. That fundamental difference in worldview is profound, so we should be talking because we need to understand and to communicate, said Green. However, he showed skepticism about the possibility of negotiating way out of this one between the US and North Korea.

Green was asked to comment on the possibility of NK giving the weapons under current circumstances. He said that he does not think it is impossible. It is one more reason to try dialogue. The odds are very low, and we can talk about that more. North Korea has cheated on

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every single agreement it has ever made since they began working on nuclear weapons. Their constitution now enshrines them as a nuclear weapons state. And efforts by the current South Korean government and others to try to get some dialogue going have been rebuffed and rejected. So I wouldn't say impossible, but very, very unlikely in the current circumstances.

David Sanger

David Sanger said that he would broadly agree with what has been said by Terry and Green. KJU has pursued an incredibly rational, understandable policy. It is not that we can condone it, but it certainly makes sense if he looks out at the world as he sees things.

First of all, his grandfather and father started this program but did not really put enough energy into it to turn it into a real deterrent to the US. And if Terry's alternative scenario is right that he has a view of it as a way to unify the peninsula or to achieve other objectives in Asia, he is doing the right thing. The second thing is he looks at a case like Libya, a country that in 2003 gave up its nuclear weapons. They did not have weapons at the time. They had a series of A.Q. Khan's centrifuges. Somebody in the US government, to avoid embarrassing Pakistan, had put black paint over the A.Q. Khan Laboratories sign. This is exactly the same way that North Korea got its enrichment capability. They look at what happened in the case of Libya, a country that we promised to begin to integrate with the West and bring economic benefits to, and did a sort of half-hearted job of that. After that, first time that there was an uprising by the Libyan people, we moved in with our European and some Arab allies and helped drive Gadhafi from power. And the next time the North Koreans saw him, it was on TV as he was being pulled out of a ditch and being shot. Message should have resonated, and the answer was 'Do not believe the Americans if they tell you that when you denuclearize they will take care of you. They will let you rot until you get overthrown.' Therefore, what he is doing may make sense.

In the interviews referred, then-candidate Trump was in a very different place. President Trump said that he would go have a hamburger with KJU and could strike a deal with him. He came to it initially with that very transactional sense that he has, that he can make a deal with anybody. Judging by his tweets now, this would be the first case where he has persuaded himself that maybe he could not make a deal, and that he has got to do it all from the bluster and threats part. Now, maybe that is just a first step, and that he thinks he can intimidate them. As Evans Revere said in a story, the North Koreans do not get intimidated terribly easily. What has happened in the past week or two is that it has moved from a clash between countries to a clash between two different leaders who have significant ego. Neither one of them want to be seen as backing down in front of their own people. And that is what leads to the kind of very dangerous situation that

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could lead to Green and Terry's pessimism.

Discussion

Bob Schieffer

Bob Schieffer asked the panelists what they think the impact of the tweets are.

Sue Mi Terry

Terry said it is very counterproductive. We are giving a gift to the KJU regime because you are just giving the talking points and you are just showing it to the people. And that is why he was able to mobilize the public to protest because the public is already indoctrinated into thinking the US is the most hostile threat. All you have to do is play what President Trump said about totally destroying North Korea. Another problem is that we made it very personal. Kim Jong-un's statement that came out after President Trump's speech at the UN is notable. We have watched North Korea for many years. It has never come from the first person. KJU signed his name and it was front page of the Rodong Sinmun. KJU took it very personally. Therefore, by taunting him like this, we are limiting our options because KJU has to act. He has to go over with the provocations. He was going to do it anyway, but we are now giving him even further excuses. In addition, he cannot back down because now it is his credibility, his legitimacy, and everything in his country. For the domestic reasons, he cannot back down. North Korea would continue with trying to complete the program, perfect their nuclear arsenal. They are going to do that. We would get to act. However, taking exercising a military option is truly unthinkable because of all the casualties.

Michael J. Green

Green said he worry about it for another reason in addition to that. The reason why North Korea wants nuclear weapons is regime survival. That is almost a cliché to say. But they also want these nuclear weapons and missiles for the blackmail leverage it gives them. They want to use it to press the US in particular to relax sanctions, to give legitimacy to the regime, to press Japan and Korea to give economic aid, and to end our nuclear umbrella over Japan and Korea. Green said that he knows this because that is what the North Koreans ultimately said in negotiations. And by getting in this rhetorical game, what the president is doing is scaring our friends and allies. He is making it more likely that China or South Korea or the Europeans are going to push him and us to make concessions to avoid war. So he is actually creating leverage for North Korea diplomatically when there should be none. Green expressed skepticism about the prospects for

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diplomacy in the near term. But if we are going to have any prospects it's going to be the result of setting the stage with sanctions and pressure, and then especially pressure from China. And China is not going to press unless they see that the US, Korea and Japan are solidly together. The problem with this rhetoric is it gets those countries to start worrying more about us than about North Korea. It is not helpful.

Bob Schieffer

Schieffer asked panelists what they think KJU wanted for his long-range objective. He said that he agrees that regime survival would be number one on the list, but beyond that, we need to know if he sees his nuclear arsenal as something to use in defense against US. Schieffer also asked if KJU sees it as part of his grandfather's plan to reunite the Koreas and if we can make any kind of certain prediction about that or understanding of it.

Michael J. Green

His grandfather, Kim Il-sung, saw what happened when the Americans intervened in the Korean War using aircraft carriers and bombers based in Japan, and the power of American air power. So he wants a deterrent and the ability to hit our bases in Japan, Korea, and Guam. Both Koreas exist for the purpose of unification, but he does not have a claim anymore. The one thing he can claim the South Koreans do not have is nuclear weapons. KJU wants them because of a fear of absorption from China. China is also a threat. Lastly, he wants them because his military knows that they have poor conventional capabilities. So, internal reasons saying 'I ultimately can unify the peninsula and defeat the imperialist puppets in the South because I have nuclear weapons' is critical. It is hard to know whether that is propaganda or whether they really believe they can unify the South. However, the thing about North Korea, sometimes it is hard to distinguish between the propaganda and what people really believe.

David Sanger

They have learned the lesson of asymmetric capabilities here. Nuclear has obviously always been one especially if you are a country as small and poor as North Korea. When we try to think about his desire to reach out beyond Korean borders, think not nuclear for a moment but think cyber. Three years ago, the Sony hack was all about North Korea trying to go out and change the way Hollywood was about to turn out a movie about KJU. He was willing to reach across the Pacific with a weapon that he thought might not be easily traced back to him, attack an icon of Hollywood, and show that he had a degree of power out there. His father or grandfather would not have had that imagination. When you look at the weapons that he is now developing that can

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reach LA or Chicago, or will be able to in a couple years, you have to begin to think: Is our old assumption that this is simply about survival the whole story?

Bob Schieffer

Schieffer asked Terry what we would negotiate about if we had a negotiation with North Korea and where it will start.

Sue Mi Terry

Terry said that she sees the US going through negotiation in terms of trying to reach denuclearization and knows what North Koreans want. She had a chance to meet with North Koreans this summer in Sweden. They said:

Denuclearization is off the table. We are very close to completing the program. We are this close to perfecting our arsenal. Why would we give this up? Gadhafi is dead. Look at what happened to Iraq. They talked about an agreement, Bush came in and said the Axis of Evil, and things turned around. So we know we can't trust any agreement anyway looking at even what is going on with the Iran deal now.

So they have a rationale in terms of why they have to have this nuclear program and say 'So forget the denuclearization. That's off the table.' We will never meet for that. Nevertheless, we are willing to meet to discuss a peace treaty or a peace regime because the Korean War never technically ended. We are still at war. But the problem is that we cannot get there. We cannot, obviously, get to peace treaty discussion from where we are. We are going to have problems with verification. Even if there is a peace treaty and they say they will get rid of nukes, how do we verify that? Every single time there was a deal, it failed.

Bob Schieffer

Schieffer asked Mike what is the relationship between China and North Korea. He said that he asked Evan Osnos this question and Osnos answered:

There was a time when Mao said we are as close as lips and teeth. But he said, he was recently in China, before he went to North Korea. And he asked a Chinese official there if that was still the case. He said, no. It is more like dirt between the toes.

Michael J. Green

Mao's son was killed fighting the Americans in the Korean War. There is still nostalgia in the People's Liberation Army at senior levels. There is clearly a fear in the Zhongnanhai among the

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Chinese leadership about pushing the North Koreans to the point where they might collapse, which China could probably do if they were serious. They provide over 80 percent of the food and fuel to the North. But they are very scared of how the North Koreans will react and whether or not they'll collapse, because if they collapse you have a million-man army, chemical, biological, nuclear weapons, separated by the Yalu River from 5 million ethnic Koreans in the rust belt of China, with the potential of a Korean peninsula being unified under an American ally right on their border. And so that is part of the problem we have with China. However, Xi Jinping has done everything he can in terms of protocol to humiliate KJU. He has never invited him. He has had multiple summits with South Korean leaders. On Weibo and among the Chinese public, North Korea is deeply unpopular. In China, you can feel the tremors from the North Korean nuclear blasts. There are active volcanoes. However, China is paralyzed by fear of what will happen if they do what we would really like them to do to control and really squeeze the North. They are doing more. China is doing more than it ever has. But they are still deeply afraid of pushing the North too far.

Bob Schieffer

It is a very important point that there is no love lost between the two. They say that some in North Korea see themselves as simply a bargaining chip between the US and China. And they do not like that.

Michael J. Green

We have to remember 2,000 years of history between the Korean kingdoms and China. Koreans often point out that Japan invaded Korea three, four times. However, China invaded Korea, depending on the historical accounts, 600 or 900 times. Therefore, it is geopolitical and historical. It is not just the current problem.

Bob Schieffer

How close do informed people think the North Koreans are to having an ICBM that could reach the mainland of the United States?

David Sanger

They are really close. If you look at their last two ICBM tests, they worked out the distance problem. They just did it very vertically instead of flattening it out. And then when they did their

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most recent test, they flattened out a medium-range missile to show that it could make it the distance to Guam. It is just a matter of time before they do an ICBM test that they also flatten out. However, they want to be careful so that they do not hit something wrongly.

There are basically three different things you have to be able to do. One is have the missile be able to go the distance. Secondly, have a nuclear weapon that you can shrink down to the size you can fit into the warhead, and make it light enough that you are not cutting into the distance that that warhead goes. Thirdly – and this is the one they have not proved – they have to show that it will not burn up on reentry into the atmosphere. An ICBM leaves the atmosphere and comes back in. This took the US years in the 50s to go figure out. We burned up a lot of stuff before we did this. And then the fourth thing is you need to prove at least some level of accuracy and ability to detonate a weapon as it is being released, as the warhead is coming down. So far every test they have done has been underground. That is what made this threat last week to do an atmospheric test so particularly chilling. Because if they do that, they would not do it the way we used to do them, which was largely put a weapon out on a barge and set it off in, in our case, the Bikini Atoll. They do not have any outside islands to go do this with. So they would probably launch it on a missile and see if they could make it detonate. The US and the Soviet Union agreed in 1963, just before Kennedy was assassinated that they would never do that again. And they have not. The Chinese were the last ones to do such a test. It was in 1980. So it has been 37 years.

Sanger said that this would pose a huge problem for the Trump administration, because if you actually saw a weapon being loaded up on a launch pad in North Korea, first, you do not know exactly what it is aimed at. Secondly, they were probably getting ready to go do their atmospheric test. Therefore, even if it missed Guam, the belt of radiation that would be created could go over Guam or hit some other populated area. It would be a very tough decision about whether or not to do a preemptive strike, even if it was limited to taking out that one missile on the pad, or whether you would try to knock it out with missile defenses, which means that you take the risk that your missile defenses do not work. And the reason that President Obama ordered the cyber strikes on the missile program starting in 2014 was because he was not very confident that our kinetic systems designed to hit these warheads as they return to Earth was terribly good.

Bob Schieffer

Someone said that while the US would not say that it might cross the red line, we would not stand for them having an ICBM that could reach the US mainland with a nuclear warhead on it.

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And it would not burn up coming back into the atmosphere. That is where we say you cannot do that.

Michael J. Green

Part of our problem is that the US across many administrations has put out a variety of red lines. As Steve Hadley used to say, if you keep drawing red lines, eventually you are making a red carpet. We have to be careful about how we articulate them. One red line was the North Koreans in 2003. In 2007, the Israeli Air Force destroyed a Syrian reactor that was being built by the North Koreans. So transferring is a red line.

In addition, the EMP, the electromagnetic pulse effect, could be hugely damaging. That probably is a red line. So we do not know exactly what the red lines are. And the North Koreans are going to try to guess where that red line is and drive right up to it. And the danger we now face is that Pyongyang will think that we will be deterred because it has this capability, and they will have a lot more room to do things, like testing in the Pacific or what they did in 2010, sinking a South Korean Navy ship in the West Sea, or cyber attacks. And we have criticized the administration.

Green said that the administration was right to send B-1 bombers off the North Korean coast, to do a lot of the military steps they are doing, because we need to demonstrate that we are not going to be intimidated, and that we are going to respond if they try to do these attacks that they think we might be afraid to respond to because they have nuclear weapons. That is the dangerous new world we are in.

Bob Schieffer

Why are we threatening to pull out of the trade agreement with South Korea? How do our allies feel about all this? And what is the feeling in that part of the world about this?

David Sanger

One of the interesting proxies for measuring this is what discussion you hear about their need to go off and get their own independent nuclear deterrent. South Korea tried twice to start such programs in the 1970s and 1980s from a lot of different political sectors. In Japan, you do not hear it very much at all. Japan has got the greatest capability to go to it. One of the most striking

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lines in those interviews that Schieffer mentioned at the beginning came when President Trump was asked whether he would be unhappy if Japan and South Korea went off together and acquired nuclear weapons. President Trump said, “Well, I think it’s going there anyway, don’t you?” Sanger said that that was probably his gut feeling, that that probably is where it is headed. And that is why there was this little flurry of discussion about whether we should put our tactical nuclear weapons back on the Korean peninsula. Sanger said that he does not think that is going to happen. The Pentagon does not want to have it happen and there is no place in North Korea you cannot reach from a bomber in Guam or from a missile in Nebraska.

Q&A

Q (Pat Bergstresser): There are two things that I have yet to see discussed. And one is that the ruler of North Korea studied in Switzerland. Could Switzerland play a part in terms of reducing this rhetoric? And the second thing is the effects of these missiles and bombs on the planet. When the missile flew over Japan and exploded near Japan, they had an earthquake, first one. North Korea has had an earthquake from when they had the underground explosion. Then there was another missile that went over Japan and exploded in the sea. There is a ring of fire, the Pacific Rim basin, and now we have an earthquake in Central America, two in Mexico, two small ones in California. Cause and effect, I mean, it just seems to me that there might be a correlation. And I don’t understand why people are not discussing these issues.

A (Sue Mi Terry): I think when Kim Jong-un came to power, there were a lot of people who were hopeful that at least he was educated in Switzerland, the West, so that he would change, he’d be more reform-minded, and pursue that course. He has proven that is not the case, just because he was educated in the West does not change course. I mean, Pol Pot was educated in the West, right. NK has its own strategies and goals. We cannot even get China to really pressure North Korea. I do not think Switzerland is going to play that much of a role. North Korea has its own strategy. And the biggest player if any in the international region that can do anything about North Korea is really China. That is why we like to focus on China, to get China to do more to reign in North Korea.

A (Michael J. Green): I do not think the Swiss really have a role here. I mean, they do in some circumstances. The US interests are represented by Sweden, which has a procedural role and we have dialogue. Ultimately, there is a long list of countries volunteering to broker between

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the US and North Korea. That is not the problem. I think the US should be talking at some level. On the earthquakes I am even less qualified, but this is – you know, in the area, people are asking and debating about this, especially in China. It is one of the reasons, as I said, that the Chinese public is pissed off at North Korea.

Q (Peter Humphrey, Intelligence Analyst): They test a missile for two reasons: To make sure the engineering of the missile is copacetic and to see what the accuracy of the landing point is. So every time we let one of these things fall into the ocean, we are giving Kim Jong-un a free data point on his accuracy. So I got to ask, why are we not routinely practicing with our own ABM systems to knock down these test missiles one after another? We may miss half the time, we will get better through time, but it seems that policy change has to be made.

A (David Sanger): This is not as easy as it looks. We have two major kinds of ABM systems. The one that you hear about the most is the one that is in Alaska and California. They are designed for intercontinental ballistic missiles. And they are supposed to do the interception as the warhead is reentering the atmosphere and coming down in the US. So this is what you hear the bullet with a bullet. Under ideal testing circumstances, when they go test these things – they did one just a month or so ago – and you know roughly when the test is going to happen and the rough direction it is coming from. In the ideal circumstances, it works half the time. So one way you could improve that is throw all the missiles you have at it. And we only have 44 set up right now. I think it is 44 or 46. So you do not want to get into a situation where the North Koreans, by prompting your missile defense, learns a lot about what it can and cannot do. And you do not want to go through the embarrassment of having it miss. The second missile – kind of missile system we have are based on ships. They are on the Aegis destroyers and so forth. We have got a lot of those. They have got a higher accuracy rate, but they have got to be in the right place. And that is why it is sort of interesting that recently the North Koreans started launching from near the Pyongyang airport. They usually launch from a remote area off the coast. And part of that was to say we can move these around. We've got mobile missiles. And they have a lot of mobile missiles now. But the second was if you think you are going to do a preemptive action and just take something out and not kill a lot of people first, we are here to tell you we are going to do this from our most populous city, thus complicating the preemption decision.

A (Michael J. Green): So the THAAD system we just deployed in South Korea has hit 100 percent since the new system was developed. And Aegis is more like 70 percent. However, where Sanger is right is they are designed for defending a certain geographic area, not the entire Pacific Ocean. That is the problem. So the other technology that is within our grasp is boost-phase intercept, hitting it in the first minute of launch, which involves lasers and other things,

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which if we wanted to invest the money it is technologically feasible. And that, I would expect, is going to be a focus for the Pentagon, for the reasons Sanger said.

Q (Bob Schieffer): You know, and that also raises another interesting point. These missiles are very expensive, not just the ones that we make but the ones that they are making. Do we believe that North Korea is getting some kind of financial help from maybe Russia, maybe Iran to do this? Because this is an enormously expensive program they have got. And firing these missiles is very expensive.

A (Michael J. Green): As Sanger mentioned earlier, the uranium enrichment program, one way to build bomb, they got help from AQ Khan in Pakistan. China initially, under Mao Zedong, helped them develop technology. There is circumstantial evidence that I think is more than a smoking gun that over the years on missile development they have got help from Iran.

A (David Sanger): And they have worked in both directions. I mean, initially the Iranians were helping the North Koreans. I think there is a sense now that, you know, it is in both ways

A (Michael J. Green): And the North Koreans get cash through a variety of means, mostly illicit. We should, I think, commend the administration for the executive order last week, which gives the Treasury Department the authority to sanction any North Korean individual or entity, which is an important tool to stop that money flow because the earlier authorities, you know, we can get this company or that company, and they would just change the name. Now I think they have, if they want to use it, a real tool to start squeezing some of that money flow.

Q (Kya Palomaki, Graduate student at George Washington University): It seems to me that there is a difference between Trump, the person and the Trump administration writ large, when there are statements – official statements coming out of the White House versus these kinds of erratic tweets. So I was wondering how our allies can know which one to trust when there is information conflicting and if that is becoming – if you see that becoming an issue now and in the future.

A (David Sanger): One of the striking things is that you have had Secretary Tillerson and, to some degree, Secretary Mattis say “We are not out there to do regime change.” And then you have the president’s tweets come out saying we will destroy your country, and you will not be there anymore, things that sound a little like regime change. And I have had more than a few diplomats who said to me “Which one of these is we supposed to believe?” And I have to say to

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them all honestly that I believe the tweets, because I think that they reflects more where the president's mind is, even if it is unfiltered, and gives you a sense of where he has headed. But this has been difficult, because if the message that you are trying to consistently send to Kim Jong-un is that you can get into a negotiation with us because we are not out to change your regime. The second dissonance has been General McMaster's reference on various occasions to conducting a preventive war – not a preemptive war, but a preventive war. Now, the other way to think about this is General McMaster's, in a very savvy way, trying to introduce a level of unpredictability here, to tell Kim Jong-un: You are not the only one who is going to be the master of surprise.

Q: I'm probably one of the few in the room who remember the Pueblo. I worked for a year in Seoul, Korea in the Foreign Service to get them back. And one thing – and as you may recall, we signed an agreement apologizing. But we told the North Koreans at the same time, look, we are going to rescind this. But it was a matter of face that was important. And now move it up. We have in effect two nuclear powers here, both of whom have a lot of personal face that is involved. So let me ask a naïve question. We are in Korea originally because of the UN. And we talk about quiet, confidential talks, and so on. Is there any role for the secretary-general to step in here and get something done? And perhaps he is already doing it, let us hope.

A (Michael J. Green): As you know, we are technically still in a state of war with North Korea. We are only at peace because of an armistice. And the UN is a party to that war. We have a UN command, as you know, in Korea. I do not think the secretary-general can play a role. The UN development program, other parts of the UN engage the North Koreans hugely, which is helpful. But the Security Council itself is going to end up playing a critical role up in all of this. It has done it now because of sanctions. And we have not talked about this, but sooner or later this regime is going to collapse. And when that happens, the US, China, Japan, Korea, and Russia – we are going to return to the basic diplomatic framework we created in the 1950s and have to decide what comes next. And at that point, I think the UN, particularly the Security Council, is going to be the place where a lot of the action happens, where we diplomatically find a way to avoid a new world without North Korea, where the US and China are enemies. And instead, trying to find a way where the US, Japan, China, and Russia are all working together. When we started the six-party talks in 2003, part of our purpose was to start laying the groundwork for that kind of dialogue among the major powers, tactically to do with the North Korean nuclear problem, but beginning building the diplomatic connections so we were ready for whatever came next. And I think there will be a next chapter beyond the one we are now talking about.

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Report by: Huiwon Yun, Legal Research Intern

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DATE: October 5, 2017

SUBJECT: North Korea and the Nuclear Future | George Mason University Schar School of Policy and Government

MAIN POINTS:

- Although the issue has indeed developed to a greater degree in recent months, this escalation of North Korean nuclear missile crisis is not a drastic strategic game changer for US.
- North Korea's main goal in having nuclear capabilities is to deter anyone from attacking the country and preserve the system of governance by the Kim regime.
- The most logical option to take as of now is the policy of "Massive Pressure," whereby the US and other states can pressure NK away from their belligerency through various sanctions and diplomatic compromises.
- In the end, rationality and deterrence against preventing an attack will prevail in solving NK nuclear problem.
- In order to reassure US allies and reaffirm US reliability, denuclearization of NK should be the primary goal.

EVENT OVERVIEW

Date: Friday, September 29, 2017

Time: 4:30 p.m. - 5:30 p.m.

Location: George Mason University Schar School of Policy and Government, Hazel Hall 120 — 3351 Fairfax Drive, Arlington, VA 22201

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Attendees:

- **Mark Fitzpatrick**, Executive Director of International Institute for Strategic Studies-Americas (IISS-Americas) and head of the IISS Non-Proliferation and Nuclear Policy Programme
- **Ellen Laipson**, Director of the International Security program at the Schar School of Government and Public Policy at George Mason University

SUMMARY

Ellen Laipson, Director of the International Security program at the Schar School of Government and Public Policy at George Mason University began by welcoming the audience, comprised of about sixty people. Laipson briefly spoke about the objectives of the Schar School and introduced the event topic, the recent North Korean nuclear crisis and its implications for the global community as well as the Korean peninsula. Afterwards, Laipson turned the time over for the distinguished speaker, Mark Fitzpatrick.

Fitzpatrick began by placing his credentials for the topic of concern and his long years of dealing with the issue of NK. He then proceeded to say that he was hesitant to label the NK nuclear crisis as a strategic game changer for US. His reasoning was:

1. NK nuclear crisis is not a new threat to US and its allies; the country already had the capability to reign nuke capability for the last several years.
2. US had the responsibility to protect not only the American citizens and soldiers living abroad in threatened countries—South Korea and Japan—but also the citizens of its allied countries as well.
3. NK's primary objective of developing nuclear ICBMs is to hold US cities at risk so that US will be reluctant to come to the aid of NE Asian allies, should they be threatened also. It wants to be able to threaten South Korea and hold off US in order to deter anyone from attacking the country and preserve the system of governance by the Kim regime.

Regarding the concerns that NK wants to reunify the Korean peninsula under its rule, Fitzpatrick stated that this is not one of NK's primary goals; he thinks that NK knows that it cannot attack South Korea without a great consequential cost. He added that while it is possible that NK can

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cause a lot of damage, NK won't be able succeed in overtaking SK as it is vastly inferior in comparison to the military capabilities of US and SK. Instead, he greatly weighed upon the theory that NK's utmost intent is regime survival.

Fitzpatrick believed that US shouldn't play into NK's game and be fended off because of the nuclear threat. He said that POTUS Trump's speech to the UN, although it had its faults, had a very important component: "Any attack on US or its allies will be met with destruction." This, Fitzpatrick added, was significant because it reassured US allies—South Korea and Japan—of its strength and respective responsibility to their security. This kind of reassurance can deter NK from attacking anyone and it can support the greater goals of non-proliferation. He mentioned his book, *Asia's Latent Nuclear Powers*, discussing about how Japan, Taiwan, and South Korea all have the capability to build nuclear arsenals in terms of their existing nuclear facilities, should they need it for their national defense. Fitzpatrick argued that the reasons for these countries still being without the nuclear capabilities are due to the overarching benefits of US partnership and the corresponding promise of nuclear umbrella. Fitzpatrick did also mention that POTUS Trump made a mistake in his UN speech by making a threat that he cannot honor as such promises can harm the US reputation in the future. Furthermore, Fitzpatrick stated that deterrence is necessary and what matters most today is deterring NK attacks on US or its allies, and any US leaders should retaliate with "fire and fury" if necessary. However, he did acknowledge that implications may arise for US if NK attacked an unpopulated area of the Pacific, but he nonetheless affirmed that if nuclear weapons were used in such case, US will meet NK with a greater response.

Fitzpatrick also discussed the current dialogues of whether or not US would launch a preventive attack against NK missiles in his speech. He explained how a preventive attack is very risky, and will most likely start a war if launched against NK. He predicted that NK will respond to the preventive attack by immediately attacking US bases in SK and Japan, perhaps, even with nuclear missiles. He reasoned this, stating that it is NK's doctrine to fear the potential first-strike, because this would be the affirming signal to a full on invasion of NK and the fall of the Kim regime, thereof. Such concern of NK is further evidenced and "proved" through POTUS Trump's "fire and fury" remark; Fitzpatrick worries that this may potentially cause NK to misinterpret US intention, leading to a calamitous war in the Korean peninsula. In addition to the first-strike option, Fitzpatrick also talked about the massive strike option—whereby US will attack and attempt to take down all known nuclear facilities and transportation capability from NK. This is dangerous because human intelligence is not robust in NK and there's a possibility that NK may hide some nuclear weapons in one of their tunnels—at which if US did engage in massive strike, then NK and US will engage in first nuclear war since the end of WWII.

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As an alternative option, Fitzpatrick weighed his support upon the policy of “massive pressure.” He favored the use of secondary sanctions—employing US leverage against other countries so that other countries will stop its interactions with NK—will reaffirm US leadership in dealing with this issue. At the same time, Fitzpatrick also questioned whether leverage and sanctions alone can change NK’s hostile posture. He stated that unfortunately, he doesn’t think these actions can bring any real change in regards to NK nuclear crisis, because NK’s government is one that doesn’t care about its people. NK regime only cares about preserving the regime, so they won’t “buckle under the sanctions.” Fitzpatrick reasoned that even when China cut off its oil supplies, NK didn’t stop developing its nuclear arsenals. NK is supposed to have three months of aviation fuel; if a war did occur, it would not be longer than three months, so they don’t need a lot of oil in the first place, and, if needed, they can find substitutes for oil like liquified coal.

Regarding the options for diplomatic engagements, Fitzpatrick did not lose hope and stated that, although rare, diplomacy did work with NK in some instances. While it is true that NK did violate every single deal that they made, sometimes NK didn’t violate the agreement for several years—1994 agreed framework lasted about eight years before it fell apart. In short, diplomacy can work because one can buy time with it. Also, if sanctions do work, then NK needs to know who to “cry uncle” to. Fitzpatrick exemplified the Iran deal in showcasing how harsh sanctions convinced Iran to come to the negotiation table and willing to accept hard limitations regarding the development of the nuclear weapons program. He asserted that US should parallel this course of action in dealing with NK. Additionally, he did mention about the option of missile defense for protection, but he said that, while it may be worthwhile, it is not an assurance or the answer in dealing with NK nuclear crisis.

Fitzpatrick believed that NK was not as irrational as many believe it to be. He shared his differing view and said that he saw a very rational leader in NK that managed to survive for five years after the power vacuum left after the previous leader. Despite the actions that he took, Kim still survived and is a rational man therefore; so, Fitzpatrick doesn’t see any reason to doubt that any rationality would prevail and deterrence against preventing an attack will prevail. He then concluded by highlighting the importance of alliance management. In order to reassure the US allies—mostly Japan and SK—denuclearization of NK is and should be the primary goal. If the US does not maintain its reliability, SK will get nukes—meaning US will lose its strategically significant ally.

Q&A

Q (Ellen Laipson): In regards to your emphasis in denuclearization, looking at the example of Pakistan, a possible pre-example of NK crisis today, at what point should we do a fall back to plan B? What would be next acceptable outcome that would still be minimally acceptable from the American interest perspective? At what point do we look like we are stuck at an unachievable position and when do we ask what is the next option?

A (Mark Fitzpatrick): That's a brilliant question. Let me go through some of it. That is the big issue of the day. Russia and China have been instituting that US needs to strike a deal with NK so that NK will freeze their nukes. Forget about denuclearization, just make NK freeze their developments, in exchange what NK—probably SK and US military operational exercises. This idea is totally unacceptable for variety of reasons. I think that there are variation of that that could be acceptable. US wouldn't give up all of their exercised but could change the scale of the exercise—like not 30,000 but maybe 20,000 troops. The real issue here is if freeze is worth anything. If it is not connected to NK accepting US denuclearization goal, which they accepted in 2005 but they no longer accept, does it mean anything? That's a tough one because I see advantages of a freeze. But these advantages shrink with every advances NK makes in their nuclear program. If we could have frozen them before they tested an ICBM or an H-bomb, then that could've been good. But think about it. If NK can freeze and unfreeze anytime they want, what use is the deal? Without any proper verifications, it's really pointless. Even if we do put priority on a secondary goal, of stopping the development, a) you still want to make denuclearization as your goal. There's also a difference between accepting NK as a nuclear state and recognizing the reality that NK has nuclear weapons. To me the reality is clear: They are a nuclear power. But I don't accept them as a nuclear-armed state and I would not want my government to accept them as such either. You switch over when you make a calculation about the benefits to a secondary goal, how likely they are achievable, and what you have to give up to get them. US has to ask whether halting NK's development of nuclear weapons are a big enough benefit to go forward with striking a deal.

Q (Ellen Laipson): Then, what are your thoughts about the outlier states of NPT, like India, Pakistan, and Israel (even though they never admitted to it)? Can NPT be perhaps negotiated to include other nuclear states like these?

A (Fitzpatrick): No, NPT will not be renegotiated in the way these states have been allowed a “halfway” acceptance into club. Yes, they have been basically accepted into the club because they provide good strategic relationship with US. When we did this with India, this conflicted Pakistan and made Pakistan decide it needed nukes in order to equalize with India. India was enjoying all the benefits of a nuclear cooperation with US, advancing India’s economy and such. This is developing new kind of problems that undermine strategic stability. There needs to be a compromise with Pakistan which is akin to India’s that will somehow make India not unhappy. This is an important lesson to our discussion today. In order to strike a deal with one country, you must think about how other countries will react—how the other will react. If we strike a deal with NK, what will be SK’s reaction? What will be Japan’s?

Q: My name is Zachary Marks, and I would like to backtrack to the first question. What could the US offer that could be acceptable to us as well as to NK?

A (Fitzpatrick): I used to think that you could find some benefits that would be equal to the benefits that NK thought that it was getting from nuclear weapons. Nuclear weapons give NK regime safety, regime survivability, a protection from outside invasions. I think this is wrong. Nuclear weapons are not going to protect the leadership from popular uprising. They look at when Gaddafi died in a ditch when he gave up his nuclear weapons. NK talks about these instances all the time. You could give NK security assurances but it won’t do the trick. you could provide lots of energy assistance to advance their economy—we tried that and it didn’t work. I just don’t see anything actually. I think the answer to your question is nothing—I don’t know, I’m not sure.

Q: I am a student in this program, and I want to ask about the potential implications to this issue caused from the upcoming Japanese election.

A (Fitzpatrick): With or without the election that has been recently called, Japan is certainly its strategic culture in ways that we have not seen past few years. Like interpreting the constitution in allowing a real mutual security relationship where they come to the assistance of US military forces if they were to be attacked, is an important change. It has, however, not gone as far to introduce intensive strike options against NK. They are talking about it but so far, they are not going down that route. Japan is certainly changing its strategic culture, where they are now wanting to be able to come to support US troops, if they were in danger. Japanese elections are tricky because there’s a 50/50 chance that LDP will lose many seats that Abe will be toppled.

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In that case, will Abe's successor be more or less cooperative with the US? Probably less. And the successor will have less political strength to bring about military change as Abe. Also, Abe-Trump relationship will go bye-bye.

Q: Hi, George Hutchinson. For years we have been downplaying NK's nuclear capabilities. Also, I don't know if I would downplay this reunification aspect, necessarily. If you take that away, you're sort of taking away Kim Jong-Un's reason for being. At some point, he has to address his internal desires and legitimacy thereof. Regarding accepting the fact that NK is a nuclear power, it should be important to ensure the proliferation peace. Sanctions, although well-intended, have really not been effective. And in some regards, they even helped to accelerate nuclear ballistic missile program. One thing that wasn't mentioned as an alternative would be: if there was an achilles heel in NK, wouldn't it be human rights? I think the international community will really come and rally behind human rights issues. Wouldn't this be, then be more effective to pursue than military options?

A (Fitzpatrick): Ok, you mentioned about five things so I'm going to say yes, no, yes, no, no. Yes, objectively we have downplayed NK nuclear capabilities. I'm guilty of it. You are wrong about how reunification is a source of legitimacy for Kim Jong Un. In terms of what they say, their doctrines, reunification is not top several goals that they talk about in NK. The "dual path" of economic growth, military first, and of *Juche*, is what matter to them. Proliferation, yes, we do need to worry about that a lot. Also, the missile cooperation between Iran-NK is certainly worrisome; I don't see a solid evidence in the nuclear cooperation, but it's still worrisome. The most important thing about sanctions is that if you can turn off the material that aids the program, that's a big plus for sanctions. Just look at Iran. I don't see any logic that sanction accelerated the nuclear program in NK. The achilles heel and Human Rights in NK. Yes, this can unify the world. But, would it help to topple the regime? I don't know. Yes, we can put more pressure on them about human rights. But, say you are at the negotiation table, would you put relaxing the human rights amongst your top priorities if you are worrying about nuclear weapons? No I wouldn't. Maybe in the top five. Is it an achilles heel? Yes and no. I think that NK is really nervous about human rights issues. Yes, it does scratch a nerve for NK.

Q: Hi, my name is Katie. Is there any concern that SK will follow Israel with regards to covert nuclear developments?

A (Fitzpatrick): No, well, first, they cannot develop nukes covertly because the free press is so robust and frankly irresponsible, that it cannot be hidden from the US or their people.

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When everyone knows, this will lead to security vulnerabilities as well as an unfavorable position in the global community. Their economy will decline and the US will put sanctions on them as well, if this did occur.

Q: What might be some ways of engagement with NK in a way that will answer these issues of identity and issues of legitimacy in NK?

A (Fitzpatrick): I'm not sure I can answer that question. Well, the six party talks in 2005 dealt with this a lot: Sovereignty, recognition, equality, and normalization among partners. It all fell apart when US put sanctions on NK money laundering. I'm not sure that NK was ever ready to give up its deterrence ability, its nuclear weapons program. They were willing to slow it down, but I don't think they were ever willing to give up the core of it. But we should've still stayed on that path. We were on that path but NK never accepted the verification process. This is so important in arms control negotiations because it requires the other side to take off its clothes and you could say that this is an assault to sovereignty or trust. But the US and the USSR found a way to have mutual verification.

Report by: Grace Kan, Research Intern