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### EVIDENCE

**Tuesday, June 4, 2013**

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**Chair**

**Mr. Dean Allison**



## Standing Committee on Foreign Affairs and International Development

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•(1210)

[English]

**The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)):** Pursuant to Standing Order 108(2), our study of Canada's foreign policy as it relates to North Korea, I want to welcome our witnesses today.

We have Jack Kim, who is a special adviser with HanVoice. As an individual, we have Marius Grinius. We're also looking to have someone from video conference from Vancouver, British Columbia. We're just trying to work on that right now, but that's not going to stop us from getting started.

Mr. Kim, why don't we start with you, sir, with your opening testimony? Then we'll move it over, and then we'll finish off with our friend on the video conference, should that take place.

Mr. Kim, welcome, and we'll turn the floor over to you. You have seven to 10 minutes.

**Mr. Jack Kim (Special Adviser, HanVoice):** Sure, thank you very much. I trust that with a prepared statement—I'm not going to read directly from it, but I will make a few remarks from the statement itself.

Good afternoon, ladies and gentlemen. Thank you for having me here. I wear several hats within the North Korean interest community in Toronto, whether it's HanVoice, a human rights organization that I'm part of; CanKor, which is a blog that focuses entirely on North Korea; or the North Korean Human Rights Film Festival in Toronto. So on behalf of all of these organizations, I thank you for having me.

I won't go too much into what our present policy is because I trust that everyone is familiar with it. Suffice to say that our present policy consists of various statements but more robustly in the form of what's called the controlled engagement policy, which was issued in 2010. It's a very aggressive policy and restricts bilateral discussions with North Korea on several defined topics and also pretty much prevents anything from going into or coming out of North Korea when it comes to Canada. It also involves some technology and financial sanctions as well.

The policy is quite symbolic, and I think there's a recognition within DFAIT—I was part of the informal consultations of it at the time—that it is symbolic. There's not very much that Canada can really do to push or shove North Korea when it comes to the bilateral level. When we're reviewing this policy, which is probably the reason why we're all here at the moment, we also have to review some of the assumptions that are laden behind this policy. One of the assumptions is that China can do something about North Korea, that

if China enforces the sanctions—and there are a lot of them that have been lodged against North Korea—North Korea will come down to its knees and start doing whatever we ask it to do. I think that's a pretty brave assumption and one that hasn't been tested as of yet.

We also have to wonder whether this really jives with Canada's own long-term goals and whether China simply wants to see a long-term North Korea in its present state and the status quo ante. If that's the case, why would China really enforce any sanctions that have been launched against it? That's the first question we have to ask.

The second question is this. After 20 years of trying to get North Korea to get rid of its nuclear weapons, do they really want to do that? Do they really want to get rid of their nuclear weapons at all? If you look at it from both a strategic and tactical perspective, strategically North Korea is amongst giants, economically, militarily. Japan, which isn't very well known for its military might, spends a minuscule amount of its GDP on its military, but when you look at the gross amount that it spends, it's four times the amount of North Korea's entire GDP. That causes North Korea to worry. As well, if North Korea does give up its nuclear weapons, what interest would it have in the international scene? It simply becomes another poor country that the United States would ignore.

If that's the case, and if we're changing the assumptions—the fact that North Korea may not give up its nuclear weapons—we have to start basing our own foreign policy and shifting it to a certain degree. What happens when we start recognizing that North Korea is not going to give up its nuclear weapons?

If that's the case, we have to look at how disarmament really works. We're not really concerned about the United States. President Obama with nuclear launch codes isn't much of a concern. President Ahmadinejad with nuclear launch codes is a concern. It's the nature of the state. Who possesses the nuclear weapons becomes an issue. I dare say today that Canada can't participate in some kind of form in changing the nature of the regime, how the regime is and reacts. That is seen by how Kim Jong-un reacts, the present leader of North Korea. What keeps him up at night?

Although North Korea is pretty opaque—in fact it's one of the most opaque nations in the world—we can garner some information and make some assumptions about what keeps Kim Jong-un up at night. What concerns him? It's what they spend their time on. The first concern is probably China. China keeps the lights on in Pyongyang, so to speak. Much of North Korea's trade at the moment is with China. If China pulls the plug, North Korea is concerned. So that's the first concern.

•(1215)

The second concern has to be sanctions, but not the sanctions we've seen in the present state. We're talking about more tailored sanctions. One of the examples that's often brought up is the example of the Banco Delta, which is in Macao. It housed quite a few accounts of the Pyongyang elite, and by freezing those accounts, the United States was able to bring North Korea back to the six-party talks in 2006.

That is crucial because North Korea lacks a lot of hard currency. North Korea does quite a bit to try to earn hard currency, whether it's through the special bureau, called Bureau 39, or whether it's through its diplomats. That includes counterfeiting U.S. currency, dealing drugs, and selling arms. So hard currency in itself is very valuable and must concern North Korea very much.

The third area I'd like to talk about is cultural goods, which is how I put it. Cultural goods includes tangibles, things like radio broadcasts, or USB keys and DVDs that are smuggled into North Korea through traders, etc. They're loaded with movies and documentaries, television shows that are not available in North Korea. Some refugees tell me that the most popular shows are from HBO—*Spartacus*, *Game of Thrones*—and it's interesting to note that the Starks and the Lannisters are fighting in North Korea as well, or what's left of the Starks, anyway.

There are also intangible cultural goods; namely, ideas that are creeping into North Korea. The two that concern the North Korean regime the most are Christianity and human rights. That must keep the Kim Jong-un regime up at night.

The fourth area I'd like to talk about is refugees. There are about 25,000 North Korean refugees currently in South Korea. That number has been increasing since the mid-1990s, since the famine. There have been about 2,500 refugees who have escaped North Korea every year since that period. But we have to look at the numbers that we've had since 2012. That number has decreased by 40%, to about the 1,500 mark, since Kim Jong-un has taken power. From our sources on the ground, that is because there is increased scrutiny along the North Korean-China border, and the fact that North Korea is much more concerned about people escaping the country.

If you look at the news, there were nine orphans who were recently repatriated from Laos to North Korea at the behest of the North Korean government. The fact that they're chasing after orphans who have escaped the country has to show that they are concerned about this issue.

The final area that we should be looking at is internal changes within North Korea itself, which have nothing to do with us. I feel the most important one is the introduction of informal markets,

which are called *jangmadang* in Korean. These informal markets came after the famine, after the whole public food distribution system broke down. The North Koreans basically set this up themselves.

There are various effects from these informal markets. The first is that they've decreased reliance upon the state. The second is that they are a place where information can be shared and disseminated. The third is that it breaks the gender imbalance that is in North Korea, because women participate, principally, while their husbands are off in dead-end government jobs in North Korea. The gender imbalance within North Korea has been broken due to the fact that these informal markets are sprouting up.

The North Korean regime is very concerned about these markets, obviously, because it's capitalism but also because, on the other hand, it breaks their control over their people. If we look at the 2009 currency reform, which tried to break the whole trading class up, it failed, mainly because this trading class was very dissatisfied, and it didn't work. The North Koreans shot the man who was in charge of the currency reform.

Perhaps I can make a few recommendations based on these observations.

The first is to use China. I am skeptical about this particular lever of policy, but it has to be pressed. China is a huge contributor to the North Korean economy. But when we're talking about China, they don't succumb to pressure. We have to convince the Chinese that North Korean regime stability may not be in their long-term interests.

•(1220)

The second is to tailor sanctions. Don't use an overly broad brush. Some of my sources who have recently been to Pyongyang say that Hewlett-Packard computers and a Wi-Fi zone have been set up in Kim Il-sung University. We have to wonder what sanctions there are, with American computers in the premier university in North Korea.

Tailoring sanctions also helps to get Chinese buy-in. Over-broad sanctions may not be in Chinese best interests as well. By tailoring them, as in the Banco Delta Asia case, we can try to use them to influence the regime.

The third is to help get these cultural goods into North Korea. We can assist organizations that smuggle these goods into that country, but our policy at the moment, our controlled engagement policy, is somewhat over-broad and also includes technology. Now, we understand that technology may not include DVDs and is more along the lines of ballistic missiles. We've inquired to DFAIT for clarification regarding this policy and haven't yet received an unequivocal answer. Clarification would be most welcome.

The fourth is that Canada can help North Korean refugees and can continue to do so. There is a program being run out of the embassy in Seoul that matches Canadians who are teaching English there with North Korean refugees. Efforts such as these are great in consolidating the North Korean refugee community in South Korea. There is a program that is about to be launched with one of your own colleagues, member of Parliament Barry Devolin, who will be inviting a North Korean refugee from South Korea to intern both at HanVoice and at Parliament. These community-building efforts are critical in helping these people settle and integrate into society.

There is another refugee-specific program in which Canada can participate that is bringing North Korean refugees from such places as Thailand to Canada through private sponsorship programs. The Korean community here in Canada is more than willing to participate. This is something with which Canada can definitely help, even if in very small numbers.

The final point is that Canada can encourage internal change within North Korean society by supporting the North Korean people through assisting them in their basic human needs, whether that be humanitarian development or humanitarian aid. There are various reasons to do this. Apart from the altruistic one of helping our fellow human beings, starved and sick people do not make change. They are not out on the streets protesting against the regime.

With the advent of these informal markets, the *jangmadang*, North Korea has a real chance to grow what we consider the middle, which has historically provided the movers and shakers of what happens in governments, whether in the French Revolution or the Arab Spring, in what is happening in Turkey right now or even in Tiananmen Square, for which June 4 is a very important day, and we are meeting today on June 4.

There is another reason. Just as Canadian missionaries did in Korea in the 19th century by building schools, hospitals, and orphanages, Canada can plant the seeds of the Canada brand within North Korea when ultimately it opens up—and it will. In my mind, there is no doubt about it. The fact is that Canadian churches and organizations are already on the ground. Pyongyang University of Science and Technology is the prime example of how Canadians, privately, have supported these efforts.

In conclusion, I wouldn't blame you if you are scratching your heads right now and saying, "this is kind of heavy" and that to change North Korea is pretty hard to do. I wouldn't blame you, because the image we have of North Korea is of a static and unchanging place. But this is not supported by the evidence. In the past 20 years we have seen dramatic change within North Korea, and for the most part it has happened through the efforts of the North Korean people, despite the fact that their own government, the regime, has tried to suppress it.

I would like to leave you with a thought. What could happen if Canada actually helped?

Thank you.

•(1225)

**The Chair:** Thank you.

Mr. Grinius, it's over to you, sir, please.

**Mr. Marius Grinius (As an Individual):** Thank you very much, Mr. Chair, for the opportunity to address the standing committee.

Back in 2006, Ottawa asked that I write a short note on my personal views on North Korea. I started by commenting words to the effect that Stalin would be jealous of what "The Great Leader" Kim Il-sung and his son Kim Jong-il have achieved in building a true Stalinist state in North Korea. As far as I'm concerned, it's the scariest place that I've ever had to deal with in my 30 years of foreign service, and I have spent time in the jungle with the Khmer Rouge. They were pussycats in comparison.

As you are aware, I was the Canadian ambassador to South Korea from 2004 to 2007. In 2005, Ottawa decided to transfer accreditation to North Korea to Seoul, to me. Certainly, at last count, there were some 13 ambassadors in Seoul, including Canada, who were accredited to Pyongyang. That includes Norway, New Zealand, and Ireland. At that time we called ourselves "Club Pyongyang".

I did make four trips to Pyongyang over my time. Before commenting on Canada's foreign policy as it relates to North Korea, I'd like to share with you a few personal observations and conclusions about North Korea from my time there and in discussion with think tanks in Beijing and in Seoul, and in meeting various people.

Now, I said it was the scariest place that I've had to deal with because of the type of total brainwashing that starts with toddlers in North Korea. They are taught that everything flows from the goodness of the Kim dynasty. They're taught historically that North Korea did win the Korean War, that South Korea is an economic disaster, and of course, how the imperialist Americans are ready to invade at any time.

It is my belief that North Korea certainly is a failing state. It cannot even feed its own people. Mr. Kim mentioned its atrocious human rights record.

*Songun* policy, or military first policy, is not a joke. The Kim dynasty has always needed military support to survive, and certainly it continues to do so. I met with the North Korean military once. They do not normally meet with foreign diplomats. What was supposed to be a 20-minute courtesy call lasted for about an hour and a half. We had one of those frank and fraternal exchanges of view. What is important, what I was left with, was that it was the only meeting in all of my official meetings over four visits where my Ministry of Foreign Affairs minder was not allowed in the room. I think that's fairly significant in terms of a reflection of North Korean military, shall we say, influence.

The military, of course, said to me it's only North Korean nuclear weapons that are stopping the United States from invading us. I, of course, said that's nonsense, and we had, as I mentioned, a very long exchange about this. Very little is known, if anything, really, about North Korea's nuclear command and control structure. That should be of great concern to all of us. It certainly was my conclusion that the North Korean military has no sense of geopolitical reality, but is certainly very powerful behind the scenes and is happy to remain in the background.

Of course, Kim Jong-un is very wise to continue his father's approach if he wants to stay in power. There's always talk of the Ceausescu scenario. But I believe that the possibility of a North Korean military miscalculation is high.

You're all aware, and you probably have the list of the latest incidents over the last six months or so, on North Korea's part: the breaking of the armistice; closing Kaesong; maintaining a war footing; even telling foreigners in Seoul to leave; and then recently announcing that it plans to reactivate the Yongbyon nuclear reactor. Plus, of course, there have been the three nuclear tests and missile testing.

•(1230)

Now this type of vitriol and action has actually been quite unprecedented. During my time, there would always be threats of turning Seoul into a sea of fire, and everybody would shrug that off and life went on, and I think Seoul is going back there. But there have been a number of results, if you like, from these incidents. Certainly North Korea has caused China to lose patience. Indeed, my personal message to Chinese officials over a series of meetings has been that, number one, China is always a very long-term, strategic thinker, and in the case of North Korea, as a failing state it is now a liability to China. Ultimately it's in China's long-term interests to have the best possible political and commercial relations with South Korea.

North Korea has certainly antagonized the United States and provided a reason for additional U.S. military deployment. North Korea gave the U.S. and China an excellent reason to consult more closely. The presidents of China and the U.S., of course, will be talking later this week, and I expect that North Korea is on the list. North Korea has insulted the new South Korean president, Park Geun-hye, and of course North Korea has antagonized Japan.

Now most of this rhetoric appears to be for domestic purposes, a part of Kim Jong-un's continuing consolidation of power. Indeed, none of North Korea's foreign policy objectives have been achieved, i.e., lifting of sanctions, direct talks with the United States, economic support from South Korea and Japan. I don't think they will be achieved in the foreseeable future.

There is, however, no reason to believe that sanctions will work any better in the future, even if China implements them fully. There's also no reason to believe that North Korea will stop its nuclear program. Indeed, it's amazing how long a Stalinist fossil and failing state like North Korea has managed to survive. But this has not happened through madness or any sheer good luck. North Korea's actions have been coldly calculated, and it survives through bombast, bombs, missiles, tyrannical control of its people, clever manipulation of its neighbours and the few friends that it has—and

China, of course, is in that category. But the potential for miscalculation by North Korea is there, and it's huge.

With respect to Canadian foreign policy, I think that over the years Canada has had a good record in the humanitarian support of North Korea through the Red Cross and UN agencies, including the World Food Programme. There are numbers that are out there in DFAIT press releases, as far as that type of support. Canada remains fully supportive of UN sanctions against North Korea, but quite frankly that's not a big deal since trade has been insignificant and Canada doesn't bring to bear any pressure by turning off so-called Canadian trade.

Also, there has been no indication that North Korea has been trying to circumvent Canada's export control regime on nuclear or missile technology. Canadian military presence at the UN Command is modest but certainly appreciated by the U.S. and South Korea.

Mr. Kim talked about 2010 and the adoption of Canada's controlled engagement policy.

The current ambassador to Seoul, who I believe is now well into his second or third year there, has yet to present his credentials to Pyongyang. Why? I'm certainly not aware of any lower-level diplomatic exchanges with North Korea, or Canadian visits to Pyongyang.

•(1235)

As Mr. Kim said, there's a symbolism to what Canada has been doing, but I think right now Canada is a marginal player on the North Korean file and is in danger of becoming a non-player.

Again, we're not China or the U.S. or Japan, but we can still make a difference. However, to have that kind of impact we have to engage the North Koreans at a high level. That means the Canadian ambassador has to convey Canada's concerns about nuclear non-proliferation, human rights, cyberspace, and regional security to senior North Korean cadres. I certainly did that when I presented my credentials to Kim Yong-nam, who is the number two in their structure, the president of the Presidium of the Supreme People's Assembly. We had a robust, frank, and fraternal exchange of views, as I have had with senior officials in various places in Pyongyang.

By the way, as an aside, it's very unlikely that you're going to change the views of senior cadres, but when I was the ambassador to Vietnam I was usually speaking to the young person sitting in the third row—or in the second row here—who was taking careful notes and listening to what I was saying. It's a long-term strategy.

You have to visit Pyongyang regularly to see what's happening in the streets and elsewhere. You have to take the Beijing-Pyongyang train, which takes about 26 hours, and see what's happening in the countryside. That's the way you can establish credibility and expertise. Only then can you speak with some authority, having been there. Only then can you really engage key players, such as China, on the North Korea file.

Finally, in the bigger scheme of things, Canada has to look at serious engagement with North Korea as one important building block for Canada's political engagement and commitment to Asia.

Thank you very much, Mr. Chair. I will be happy to answer any questions.

**The Chair:** Thank you very much.

We'll start with Mr. Dewar.

Sir, you have the floor for seven minutes, please.

**Mr. Paul Dewar (Ottawa Centre, NDP):** Thank you, Chair.

Thank you to both of our guests. You really complement each other with your presentations.

I'm going to start with you, Mr. Grinius. There is an interesting report coming out of China just today. One of the comments is that the relationship between North Korea and China is more about handshakes, not hugs. I think that's an interesting metaphor for how things have changed. The article is just talking about how right now China has sent a stern letter to Kim and it is a matter of looking at what approaches they can take so they can actually get him to listen. So clearly there is frustration, which we all know, from Beijing.

But your comments are well received, I think, on the idea that we have to have engagement. I remember a couple of years ago I was at a conference. It was actually in the Middle East. There were North Korean representatives there—this is highly unusual—and South Korean representatives. I was talking to one of the former foreign affairs ministers of South Korea, and I said, "What do you think Canada should be doing?" He said, "Stay engaged. We need you to stay engaged." So I take your point about our needing to present credentials and to stay engaged.

There is concern, though, that the model we were all hoping to see, the six-party model, might not work. I'm just curious as to what the thinking is. If not the six party, are there other models people are talking about in terms of engagement? To just build on that, what is our responsibility? Clearly it's not about Canada acting alone; we all know that. What are your thoughts on that?

•(1240)

**Mr. Marius Grinius:** Thank you, sir.

The phrase used to be "the relationship was as close as lips to teeth", and yes, now it is to "hugs".

It is very interesting to see China's frustration actually being expressed in terms of, say, the Security Council.

I talked to the Chinese every time I had to go through Beijing to get to Pyongyang. Certainly, in my time it was: "We have to keep stability. We're worried about refugees coming over to China. We want to keep everything at a calm level." Obviously, that is changing

because China cannot control a lot of the incidents that North Korea has caused.

The Chinese-North Korean relationship is fascinating, I think. The North Koreans do not acknowledge the Chinese support during the Korean War. If you go to the fatherland front museum in Pyongyang, there is hardly a reference to China. Even now senior Chinese cadre are not happy about the fact even Mao Zedong's son died in Korea.

In terms of the six-party talks, not all players are equal within that context. Again, I think it's China and the U.S. who are the major players. More can be done, perhaps, bilaterally or trilaterally than in the six-party context.

A couple of issues.... Russia historically has had influence there. It no longer has. So it's there, but there is no big deal. Japan, with all due respect, has a lot of historic amnesia to get over, including its colonial past with respect to Korea, the entire Korea, and China, of course. So they have money but there are still problems there. It really is a question, perhaps, of trying to have those conversations with China and with the United States. Again, the United States knows so much about so many things, but with all due respect, they can't put together some of the lateral thinking that is needed to address something like North Korea.

There are no other models that I'm aware of out there, but there can be. There ought to be a lot of discussion. I think, as Mr. Kim, said, China is the key. There is an opportunity to engage them, if you have the credibility and move their thinking along a little bit.

•(1245)

**Mr. Paul Dewar:** Thank you.

Mr. Kim, I just had a quick question. I just want to clarify a point you made when you were talking about the approach to assisting the cultural goods to get through. You're not suggesting that we engage in smuggling rings, I'm assuming. What's a sensible way of doing that?

**Mr. Jack Kim:** There are a lot of organizations on the ground that are actually participating in such activities. The foremost organization right now is a media outfit called Radio Free Asia. It's modelled after Radio Free Europe, in the past. It is supported by the U.S. state department and broadcasts daily into North Korea.

**Mr. Paul Dewar:** So it's out and in.

**Mr. Jack Kim:** It is out and in. But there are also organizations that are actually smuggling DVDs and USB keys into North Korea and distributing them for free so that North Koreans get a glimpse of the outside world.

**Mr. Paul Dewar:** Okay, thank you.

**The Chair:** Thank you.

Mr. Dechert.

**Mr. Bob Dechert (Mississauga—Erindale, CPC):** Thank you, Mr. Chair.

Thank you for being here today.

I have been to North Korea as well, admittedly only by a few inches. I visited the DMZ and the UN building there that straddles the line at the international boundary in 2009. I was there with Prime Minister Harper. He has also seen it. I'll never forget the picture of Prime Minister Harper looking through the window there, right at a North Korean guard, who was looking back at him with binoculars. It was like something out of a B-grade, Cold War-era spy movie. I never thought I'd see anything quite like that in my lifetime.

You could even tell, though, the North Korean guards who were there were probably the healthiest of the North Koreans. They looked visibly different from their South Korean counterparts. They were visibly thinner and gaunter and looked like they needed better nutrition.

I have since then, and before, been perplexed with why China allows this to continue. You both mentioned China. When I first visited China in 1987, it was a country with an average GDP per person of about \$250. We now see the miracle that's happened in China in the intervening period. It seems to me that North Korea is the worst advertisement in the world for the communist system. I fail to understand why China doesn't want the same for North Korea as it has been able to do for its own people.

Mr. Kim, you mentioned China keeps the lights on in Pyongyang. Any trade that's done is primarily with China. My understanding is that even more people would starve to death every year in North Korea if food wasn't being supplied by China. They have nuclear weapons. We talked about the possibility of a nuclear accident. China is right next door. That accident could go in their direction, too. Mr. Kim, you talked about North Korea's need for hard currency. I'm concerned. What keeps me up at night is that they might decide that Iran is a good source of that hard currency and sell some of their nuclear technology to Iran, which is desperately trying to build nuclear weapons, or to terrorists from other parts of the world.

What is it about North Korea that China wants to preserve and protect? I'd like to hear both your views on that, and then I'd explore, if we can, more about what Canada can do in terms of trying to convince.... I think, Mr. Kim, you said that we need to convince China that it should change its ways as opposed to putting pressure on China, because it's rather large and difficult to put pressure on. But we have things that they want and we have a good trading relationship. Maybe there are other things that we can do to convince China that they should be changing their policy towards North Korea.

I'll hear both of you. If we just get started with Mr. Kim or....

**Mr. Marius Grinius:** Thank you.

This is a big issue. There are a number of Chinese concerns. Probably the long-term strategic one is the United States and its relationship with Japan, with South Korea, the alliances, etc. First of all, they do not want, I believe, a unified Korea. I think it's going to

happen. I think North Korea will ultimately implode, but they do not want to see U.S. forces on the Yalu River. Certainly part of my discussions informally with people was that China and the United States have to come to some sort of geopolitical, security, military deal to allow, ultimately, a unified Korea. China does have concerns about a dynamic unified Korea and what that would mean, but in the long term that should be a win-win situation.

If you go to Pyongyang these days, you'll certainly see a lot of Chinese carpetbaggers trying to make deals for a lot of the resources that North Korea has. I don't think our North Korean friends, comrades, have all the commercial wherewithal to make the best kind of deal. Then there's the question of corruption, but China wants to make sure that they can control resources.

The other thing that they are worried about is a flood of refugees. That, I believe, is a real disingenuous argument. If you look at Thailand and the boat people from Laos, Cambodia, and Vietnam in the late seventies and early eighties—and I was there—Thailand, with the help of the international community, managed the refugee program with considerable difficulty, but it managed. China can help and manage any sort of influx of refugees without any problems, and there should be plans that the UN has to make sure that as North Korea continues to implode, North Koreans will stay put.

• (1250)

**Mr. Bob Dechert:** Mr. Kim.

**The Chair:** Go ahead, Mr. Kim.

**Mr. Jack Kim:** Just to add to that, as long as China thinks they can control North Korea and they have the skin in the game, I think China's long-term goal is to keep North Korea around as long as possible, for the very reason Marius mentioned, which is the fact that they don't want a hostile neighbour on their border, namely South Korea, or a unified Korea in this case.

Look at China. They're surrounded by hostile neighbours, and they're right in the middle, hence the "Middle Kingdom".

**Mr. Bob Dechert:** Do you think it's true, though, that China still sees all those countries as hostile these days? After trading with all those countries now...?

**Mr. Jack Kim:** I think to a certain degree, at least in Beijing. The Chinese people may differ, but at least in Beijing there is still that mentality. The whole historical barbarians-at-the-gate mentality is still there to a certain degree.

North Korea's stability is definitely an issue as well. China pulling the rug out from under North Korea at this moment might cause the whole country to implode. When you have a country that has nuclear weapons and nearly a million men under arms, that's a huge concern, especially with the border.

There's also what Marius mentioned—

**Mr. Bob Dechert:** Sorry. I want to get to this, because I know we're short of time. China has done a really good job of bringing up the economic prosperity of their country and their people and still maintaining political control. They have the model. Why can't they show that model to North Korea and teach them how to do it?

**Mr. Jack Kim:** Well, it takes two to tango, and the North Koreans may not necessarily agree with that model—

**Mr. Bob Dechert:** They have the pressure of food, and I understand that most of the technology they have comes from China.

**Mr. Jack Kim:** From what I understand about North Korea...and to a certain degree because of its opaqueness it's hard to understand North Korea. But if you can look at it, North Korea's chief currency, the thing that keeps the glue together in the regime, is control. They see any economic opening, any sort of China-style reforms, even Vietnam-style reforms, as a loss of control.

What North Korea seems to be doing at the moment is letting out a little bit of that control at a time, such as, for instance, the two million cell phones that are now in North Korea, or the fact that women can wear pants. But they still want that control, and it's a complete floodgates issue, I think, from the perspective of Pyongyang.

**The Chair:** That's all the time we have. We're going to turn it over to Mr. Rae.

Sir, you have seven minutes.

**Hon. Bob Rae (Toronto Centre, Lib.):** I'll forgo the formalities.

Mr. Kim, do you agree with Mr. Grinius that more engagement by the Canadian government by sending our ambassador to Pyongyang would be a good idea?

**Mr. Jack Kim:** Absolutely, but I would also state that the amount of dialogue you could get out of the North Korean regime is probably minimal or of little value. The engagement we should be looking at is with the North Korean people and the whole "track two" type of dialogue that we should be having at the moment.

•(1255)

**Hon. Bob Rae:** Mr. Grinius, this really touches on two critical issues. One of them, obviously, is the human rights situation inside North Korea, which everyone knows is abysmal. The second is the complete failure on the part of everyone else to effect a denuclearization policy. We've been talking about this since 2002. One would have to say that we've completely failed with respect to this objective.

This is an absolutely politically incorrect thing to argue or ask, but is it possible for us to imagine North Korea agreeing to controls and China agreeing to be a participant in the control of how the nuclear facilities in North Korea are allowed to continue? At what point do we say, "Okay, we've tried this and it hasn't worked, so let's try something else"?

**Mr. Marius Grinius:** The human rights situation of course is terrible. You can convey certain Canadian concerns, as we do in the Human Rights Council in Geneva, as I've done, but that only gets you so far. The denuclearization question is probably the most frustrating. When I say to the Chinese, "Kim Jong-un, this guy with

the bouffant pressing a red button—you guys are okay with it?", you just get nothing from the Chinese.

We've gone up and down with promises of light water reactors, the whole KEDO, Korea energy development organization, that wanted to give nuclear energy to the North Koreans if they could stop their weapons program. We've been through that several times. I do not foresee any scenario, unfortunately, at this time, where the North Koreans can say, "Yes, we're giving control to the IAEA, not a problem, and we'll get out of the weapons program". It's their ace in the hole.

One of the frustrations is that the North Korean military perhaps even believe that North Korean nuclear weapons are keeping the Americans from invading. We're just not going to be able to get through. There are going to have to be a lot of geopolitical, geostrategic discussions before we are able to maybe broach those sorts of subjects. I'm told even the Chinese military have a hard time talking to the North Korean military.

It's a big, big challenge.

**Hon. Bob Rae:** Yes. A lot of the questions revolve around what China might or might not do. I must say that I can see China having a lot of uses for an outlier from a strategic and tactical point of view. As long as the outlier doesn't directly impact on China, they can say, well, that's.... As well, the Chinese don't believe, I think, that the North Koreans are actually going to use the nuclear capability they have. It's a lot of talk, but they're not likely to do it.

The problem that all of us face in a world of this kind is the danger of miscalculation. At some point, people could make a mistake in calculating what others will do. What I've heard you say is that the two critical geopolitical players are the United States and China. We're not even remotely in that league, but we are in a league to be able to engage seriously with both the Americans and the Chinese and with the South Koreans with respect to what our policy would be.

Is that a fair assessment?

**Mr. Marius Grinius:** I think it is, but we have to bring something to the table. That means credibility and that means experience with North Korea.

I agree also with the second-track type of approach, but it's really hard to talk to so-called ordinary North Korean citizens. We have to try it all. No country has any monopoly on wisdom. Certainly the Chinese and the Americans don't. I think we can contribute to a rational, long-term, strategic type of dialogue.

• (1300)

**Hon. Bob Rae:** Finally, I don't want to put words in your mouth, but would you say that in your view we have been disengaging more than engaging in the last few years?

**Mr. Marius Grinius:** Yes. There has been an attitude, I think, when looking at the Koreas, of "South Korea, democratic, good" and "North Korea, communist, bad; don't deal with them".

One can cite other examples of that in terms of Canadian foreign policy, which I believe is wrong.

**Hon. Bob Rae:** It's bad tactically for the country in terms of our own interests. You have to be able to talk to everybody.

**Mr. Marius Grinius:** Absolutely.

**The Chair:** Thank you very much.

John, do you have one quick question?

**Mr. John Williamson (New Brunswick Southwest, CPC):** Look, I'd like the committee to pursue this longer. I think there are a lot of questions here. I think we've touched on it, so....

**The Chair:** Okay, we'll come back to it.

Thank you very much to our witnesses. Thank you very much for being here today.

With that, the meeting is adjourned.

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