

Press Releases: On “Meeting the Foreign Policy Challenges of 2017 and Beyond”

Remarks

Rex W. Tillerson

Secretary of State

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SECRETARY TILLERSON: Well, thank you so much, Stephen, for that warm welcome. And we've known each other for a long time as well, and in my old life would often share perspectives on what I was seeing around the world and try to get some advice on whether I was leaning the correct way to the left or the right. And the advice was always sound and very appreciated. Thank you.

I also want to thank Ambassador Cho for his introduction and welcome, as well. And I do appreciate the opportunity to speak at the 2017 Atlantic Council-Korea Foundation Forum, and I'm really going to use this as an opportunity to reflect on the past 11 months. And so I'm going to take a bit of a walk through the year. I'm going to touch on a number of issues, some geographies, and I hope in doing so and laying out what the President's priorities have been in the foreign policy arena that some of the – a lot of the intersections of these policies will become evident to you. I think, as was just stated by Steve Hadley, the world has become so interconnected that no part of the world can actually isolate itself or compartmentalize its foreign policy issues, because they all tend to touch one another at some point.

So it may come as a surprise to some, although it should not, that underlying all of our policies, our strategies, that it – and our tactics is a clear recognition that one of the advantages the U.S. takes into all of our various foreign policy arenas are that we have many, many allies. Many allies born of shared sacrifice, born of shared values, and none any more so than the Republic of Korea. Through our shared sacrifice on the peninsula and the shared values that have led to a vibrant, prosperous South Korea that we see today. And as President Trump highlighted in his remarks to the general assembly in Seoul in his recent trip to the Asia arena, what a stark difference when one goes to the DMZ and looks just across the DMZ a few miles to see what a difference the values that have been adopted by the Republic of Korea and what that has created in terms of the quality of life for Korean citizens, and also the contributions to the global quality of life as well compared to the choices that have been made by North Korea.

These large numbers of allies, which are a great strength of U.S. policy around the world, are not matched by any of our adversaries. None of our adversaries have such an advantage. So what I'm going to do is, I'm not going to walk because it'll be – if I walk, it'll take too long, but I'm going to jog a bit around the world. And I am going to touch on, obviously, the situation with the DPRK and our relations with China, but I'm going to touch on the efforts to defeat ISIS and, in particular, our efforts in Iraq and Syria; the broader counterterrorism policies that we are executing through the Middle East, many of which emerge from the President's historic Riyadh summit. But how counterterrorism is playing out in other parts of the world – in the Sahel in Africa and Libya, but also we see it even in Asia in the region in Philippines and Mindanao.

I'm going to touch on South Asia and the President's policy on Afghanistan, Pakistan, and India; the EU-NATO relationship; Russia and our efforts to re-establish relations with Russia; and then I'm going to just pick very quickly at a few of the issues we're dealing with in the Western Hemisphere. But I think it is not lost – and I think the point was made, and I'm not – will not be the last to appreciate the irony of the Atlantic Council hosting an event on U.S. partnership with South Korea, and I think that point's been made. But in my view, it does make perfect sense because as you have seen, it takes unity and strong partnerships, those that span the Atlantic and Pacific, to counter the prospect of a nuclear-armed North Korea.

From his first day in office, this was the first policy President Trump asked the State Department to develop and put in place, and clear recognition that he was going to take this threat seriously, and he was not going to leave it unaddressed and was not going to accept the status quo. It does represent, and did represent then, the most immediate threat to our country, and that we would end the era of strategic patience and begin an era of strategic accountability. The threat is simply too large to ignore any longer.

Our policy with respect to the DPRK is really quite clear, and that is the complete and verifiable denuclearization of the Korean Peninsula. It is a policy that is shared by others in the region; in fact, that is China's policy as well. And Russia has stated it is also its policy. So it is – while it is commonly held, our tactics for implementing the policy may differ a bit among parties in the region. Our approach, as you've seen, is to impose ever greater penalties and ever greater pressure on the regime in North Korea to persuade them to halt their current nuclear weapons development program and their systems by which they can deliver these weapons, and to change that course and choose a different course.

We have put in place now over the past many months the most comprehensive set of economic sanctions that I think have ever been assembled through two very comprehensive UN Security Council resolutions with the support, notably, of both China and Russia, clearly indications of how they view the seriousness of the threat as well.

These sanctions now have banned all coal exports from the North – from North Korea. They have ended their textile exports. They have put limits and will bring to an end the export of forced labor. They have also limited the imports of fuel and reduced all imports, each – with each action increasing the pressure on North Korea.

We do know that these are having effects on the North. This is evidence in terms of what we see happening with fuel prices for North Korean citizens, which initially jumped 90 percent. They're now back to where they're up only 50 percent. We also know there are shortages beginning to appear, and there's also, though appearing on the shelves of North Koreans, products which previously had been exported. So now they have to be consumed internally.

These are combined with diplomatic sanctions where we have called on nations the world over to not just fully implement the UN Security Council economic sanctions, but where they have a sense and a desire to do so, to also isolate the North Korean regime further by recalling their diplomats, closing their offices, and letting North Korea know that with each one of these provocative tests, they only become more and more isolated.

More than 22 countries have sent North Korea's diplomats back home. And for some, it may not seem significant, but for small countries that may not have a lot of economic influence, it is yet another important signal. So from nations like Peru to Spain to Italy to Portugal have cut off the diplomacy ties as well. And we know the regime notices when that ambassador comes home because they're not representing that office elsewhere, further isolating them from their contact with the rest of the world.

These are all very important steps, again, to reinforce to the regime that with each step you take, you only isolate yourself further and you do not improve your security, but you degrade your own security. Important to the success of all of this is the very strong trilateral relationship that exists between the United States, the Republic of Korea, and Japan. This is a basis for the security structure of the region and it is one that we continue in place and we continue to exercise together so that we are ready for any possible military response that might be required.

The enforcement of these sanctions have also gone beyond the direct entities, but we've also sanctioned individuals and other entities, including banks – some banks within China and elsewhere – who are facilitating violations of these sanctions by North Korea. So anywhere we see North Korea attempting to exploit loopholes or attempting to exploit other avenues to skirt these sanctions, we attempt to close those off as well.

Time is marching on and with each additional test, North Korea does demonstrate the advancement of its program. The most recent intercontinental ballistic missile test, I think, demonstrates they certainly have capability to continue to advance their program, and we would expect they're doing the same on other elements of an integrated nuclear weapons system. So we need the DPRK to come to the – come to the table for talks. We're ready to talk anytime they'd like to talk, but they have to come to the table and they have to come to the table with a view that they do want to make a different choice.

In the meantime, our military preparedness is strong. Because of the situation, the President has ordered our military planners to have a full range of contingencies available, and they are ready. As I've told people many times, I will continue our diplomatic efforts until the first bomb drops. I'm going to be confident that we're going to be successful, but I'm also confident Secretary Mattis will be successful if it ends up being his turn.

With respect to China, North Korea really represented our first engagement of this new administration with China. It was – the first trip I made overseas was to Japan, South Korea, and China to begin the first articulations of this policy on North Korea's nuclear program, the end of the strategic patience. In many ways, this, I think, was fortuitous because it allowed this administration in its first engagements with China to find something that we could work together on. And when we understood that our policies were identical and our objectives were the same, then that gave us a platform from which to engage on a positive way from the outset.

The history, as all of you know, of U.S.-China relations has been defined since the historic opening of the relationship with Nixon's visit. And that served the U.S. and the Chinese well and it served the rest of the world well. But times have changed. China has risen its economic power. And in many ways, the successful Beijing Olympics was perhaps the coming-out of China to the rest of the world with a new sense of confidence and a new sense of a way forward.

I think both of us, the U.S. and China, are now searching for what will define the U.S.-China relationship for the next 50 years, because that relationship that was defined by the "one China" policy and the three joint communiques has served everyone well. China has risen as an economic force in the world. And while they like to continue to describe themselves as a developing nation because they have hundreds of millions who still need to move out of poverty, they are not a developing nation in the traditional sense. They have an economy that is very large, and it certainly has its influence on global markets. But as China has risen, a number of disparities have now occurred between the U.S. and China trade relations and China and other nations in trade relations as well which have to be addressed.

So in engaging with China in the first summit with President Xi coming to Mar-a-Lago, we worked with the Chinese to find a way to begin an exchange of understanding in views at a much higher level than had previously been conducted. As many of you know, there were many, many dialogue mechanisms with China over the past several years. I think when we – when I got to State Department, we had 26 different dialogues at various levels. Our view was we needed to elevate these dialogues to a much higher level within our respective governments, closer to the ultimate decision makers.

So we created four significant high-level dialogues with representation from our side and from the Chinese side that is very close to President Trump and very close to President Xi. The four dialogues are led by cabinet-level secretaries on our side and equivalents on the Chinese side. This diplomatic and strategic Dialogue is chaired by Secretary Mattis and myself, and this dialogue is really to explore areas that we can work together and explore areas where we have differences, and in this exploratory process create results that will over time hopefully allow us to define what this new relationship will be. The other dialogues are economic and trade, law enforcement and cyber, and social people-to-people dialogues. All four of the dialogues met throughout the last year, and they are designed to be results-driven, and the results of those were reported out at President Trump's summit in Beijing, his state visit plus.

So I think with respect to our relationship with China, we now have a very active mechanism in which we can put complex issues on the table. And we have differences, such as the South China Sea and China's building of structures, militarization of these structures, and how that affects our allies in the region as well in terms of free and open trade. As we've said to the Chinese, we hope we can find a way to freeze this particular activity. Whether we can reverse it remains to be seen. But it is not acceptable – it's not acceptable to us that these islands continue to be developed, and certainly not for military purposes.

In Southeast Asia, we had a – we put forth a policy here not too long ago of a free and open Indo-Pacific, and this was built on the back of some of our views about China's One Belt, One Road policy. China's One Belt, One Road, we understand, is a policy they have to continue their economic development, and our policies do not seek to contain China's economic development. But China's economic development, in our view, should take place in the system of international rules and norms, and One Belt, One Road seems to want to define

its own rules and norms. I like to quote Secretary Mattis' comment on One Belt, One Road. For China, he said: Well, the U.S. and the rest of the world has many belts and many roads, and no one country gets to decide what they are. So a free and open Indo-Pacific means all countries have access to continue their economic development and free access for trade through the region.

As part of the free and open Indo-Pacific, we have elevated our engagement with India. We've long had a trilateral relationship in the Indo-Pacific between Japan, Australia, and the U.S., and we're now working towards whether this will become a quad relationship to include India because of the importance of India's rising economy as well and I think shared national security concerns that we have with India.

In moving to the defeat ISIS campaign quickly, in Iraq and Syria, as the President entered office, he took a significant policy shift in the war to defeat ISIS in Iraq and Syria and ordered aggressive new strategies and empowered our military commanders on the ground to carry out battlefield decisions in a way that would win the war on the battlefield. After fully activating the DOD approach of buy, with, and through others, with his authorities the military has, in fact, begun to make significant gains. And as we know today, Prime Minister Abadi recently declared ISIS defeated in Iraq. We are still defeating ISIS in Syria, but significant progress has been made.

As a result of the military success, we in the State Department have really had to run fast to catch up with the military success with the diplomatic plans as to what comes after the defeat of ISIS, and we've executed much of this through the Coalition to Defeat ISIS, a coalition of 74 members, 68 countries and including organizations such as NATO, INTERPOL, EU, and others.

Seven and a half million people have now been freed of ISIS' clutches in Iraq and Syria; 95 percent of territory previously controlled by their caliphate has now been liberated. Our efforts now are to stabilize these areas after liberation to avoid a re-emergence of ISIS but also to avoid a re-emergence of local conflicts between various groups.

So our work with the DOD is to deconflict the battlefield and to stabilize areas, and we've had success working with Jordan and with Russia in Syria to create de-escalation zones that prevent the re-emergence of a civil war – all directed towards moving the talks in Syria to Geneva to fully implement UN Security Council Resolution 2254, which calls for a new Syrian constitution and elections be overseen by the United Nations in which all Syrian diaspora will vote. So this includes the voting of Syrians who have been displaced because of the fighting, whether it be due to the civil war or subsequently due to ISIS' emergence.

A very important joint statement was issued by President Trump and President Putin on the margins of APEC in Danang, Vietnam, in which both leaders affirmed their commitment to this process as the way forward to ensure a unified, whole, democratic, and free Syria. Talks have begun in Geneva again with a reformed opposition representation. And we have asked Russia to ensure

the regime participates in these talks, and the regime has been present at the talks. And now, we need to keep everyone at the table. We will continue to work with Russia in areas where we can and Syria to continue to promote a de-escalation of the violence, stabilization of the areas, and a resolution for Syria that will be a product of the Geneva process.

In Iraq, the liberation of all areas is now complete, and in both the campaigns we've now recaptured the caliphate's capitals of Mosul in Iraq and Raqqa in Syria. I think the early engagement in Iraq with Arab neighbors has been important to the future of Iraq also being sustained with its democratic government and sustaining Iraq as a unified country. Having Arab neighbors engage early as the war to defeat ISIS progressed, importantly with the historic visit because it's been more than three decades since the Arab world had relationships with Baghdad, the Saudis were the first to engage and have created now economic talks and consultative committees. They've reopened two border crossings, they're resuming flights between Baghdad and between Riyadh, sending an important message to all Iraqis that – and reminding them that Iraqis are Arab, and you should re-engage and reunite with the Arab world.

There have been consultative councils set up with the Saudis and Iraqis, and there will be a second reconstruction conference hosted by the Kuwaitis in January – all intended to ensure that the government in Baghdad and Iraqis understand you have friends to the south who want to support your reconstruction and your re-establishment of your country.

Importantly, we also – the policy has always been a unified Iraq. And as you know, the independence referendum which was undertaken by the Kurdish Regional Authorities a few months back was disruptive to that unity. We're working through that process now between Baghdad and Erbil to ensure the two parties remain unified, and we are supporting both deconfliction and we're supporting a re-engagement around the Iraqi constitution which was never fully implemented. And we will stand and we have said we'll stand with the Kurds to support them in the full implementation of the Iraqi constitution when – which, when it is fully implemented, will address a number of grievances that the Kurdish people have had for some time and we hope will lead to that unified Iraq.

In counterterrorism more broadly, again, I would take you back to the President's historic summit in Riyadh, Saudi Arabia, where he convened 68 leaders of Muslim countries around the world, making the case to them that the voices of violent extremism are a problem only you can solve. The United States cannot solve this. We can help you solve this, but this has to be something that Muslim leaders the world over address.

So out of that summit were two very important commitments: to create a center to counter violent extremism in Saudi Arabia and to create a center to disrupt counterterrorism financing networks. Both of those centers have now been established, and they are getting underway with work to not just defeat counterterrorism on the battlefield, as we say, or defeat terrorism on the battlefield, but to counter it in cyber space. The center for violent extremism has a large bank of individuals who monitor social media for

messaging to disrupt the messaging, but also to develop counter-messaging to counter these messages of violent extremism.

This is also important – and we've had these conversations with the Saudis – that they must get these messages into the mosque, they must get these messages into the madrasas, and they must get these messages into the educational materials that are put into the schools. The Saudis are publishing new materials now. They are recalling materials. But we have a lot of work to do to overcome these messages of violent extremism.

The center to counter terrorism financing is also a big establishment to help with the Treasury Department, and it is linking up with other sources of information around the world to be able to track how funds are moved about to support terrorist activities the world over. Again, we can win on the battlefield, but if we don't win in the cyber space and we don't disrupt the networks' abilities to re-establish themselves, we know they will appear elsewhere, as we have seen them appear in Libya, we've seen them appear in Mindanao, we see them appear in the Sahel.

The global effort to defeat ISIS and the global effort to defeat terrorism is one of the President's top priorities, and that takes us to the South Asia policy and Afghanistan, Pakistan, and India. And the approach to this policy really was a regional approach. The President made a decision and announced the policy that we would remain in Afghanistan, we would remain engaged in the fight to defeat the Taliban, and that the time and effort would be conditions-based. He didn't – he said it's not a blank check. It's not forever, so the Government of Afghanistan needs to understand they must continue their reform journey and they must continue to create conditions that will be inclusive to all ethnic groups within Afghanistan, including a place for the Taliban to participate in a legitimate government when the Taliban is ready to renounce terrorism, renounce the fight, and come to the table.

So the conditions-based approach is to ensure the Taliban know, you will never win a battlefield victory, and the way forward is going to be by engaging in a reconciliation process and ultimately joining a government in Afghanistan.

An important part of the regional approach is our relationship with Pakistan. The U.S. and Pakistan have had a long history of good relations, but that relationship has really deteriorated over the past decade and so now we're engaged with Pakistan in a conversation to ensure our expectations of them are clear, that our concern is really about Pakistan's stability. Pakistan has allowed so many terrorist organizations to find safe haven within its territories, and these organizations are growing in size and influence, that at some point I have said to the leadership of Pakistan, you may be the target, and they turn their attention from Kabul and decide they like Islamabad as a target better.

We want to work with Pakistan to stamp out terrorism within their boundaries as well, but Pakistan has to begin the process of changing its relationship with the Haqqani Network and with others. I understand that this is a

relationship that has emerged probably for, in their view, good reasons a decade ago, but now that relationship has to be altered because they – if they're not careful, Pakistan is going to lose control of their own country. We want to work with them in a positive way. We're willing to share information with them and we want them to be successful. But we cannot continue with the status quo, where terrorist organizations are allowed to find safe haven inside of Pakistan.

I want to touch a bit on the NATO and Europe relationship quickly, and this was an early trip of the President's as well. And I think the important thing is that the Atlantic alliance is as strong as ever, notwithstanding what people may describe or want to write. And I just came back from a full week in Europe, two days in Brussels and NATO, and meetings with the EU member countries. I was in Vienna for the OSCE meetings, and then a full day in Paris. Everywhere that I went this past week and in every engagement, there are still very strong ties between the U.S. and all of our partners and allies within Europe. And there is great unity around issues of importance to both of us, which are security issues, economic and trade issues.

We have a lot that we have to work through, and the President's message to our European allies has been, we're there for you. We will be there for you. But at NATO in particular – and we will meet that Article 5 commitment – but to our NATO partners and member countries, you cannot ask the American people to care more about the security of your citizens than you care yourself.

And so the President has been very demanding on burden-sharing, that the American people simply cannot carry a disproportionate share of this burden for years to come, and everyone has to be willing to take their share of this. There are agreements in NATO for all countries to achieve a 2 percent of GDP defense spending, and the President is putting a lot of pressure on countries to meet that.

A number of countries have stepped up. NATO's receipts and spending are up about 8 percent this year, and others have put in commitments and plans to increase their defense spending. This will give NATO a stronger defense posture to deal with threats from the south, which is an area we've asked NATO to focus on, counterterrorism, because European countries are – feel the greatest effects of the transmigration that has occurred as a result of ISIS, and also threats from the east, from Russia, which brings me to Russia.

I think the President has been quite clear that he views it as extremely important that the United States and Russia have a working relationship. Today we do not. And I've touched on areas where we are cooperating, in Syria. But Russia's invasion of Ukraine is something that we cannot accept. As I've indicated to others in Europe last week, it's one thing for countries to choose sides in conflicts. Russia wanted to choose the side of Bashar al-Assad; we chose not to. But when you invade another country and take their territory, we cannot – that cannot be left to stand. And that is the basis for the very stringent sanctions regime that the U.S. and Europe imposed on Russia as a result of that invasion, and that regime will not change until Russia's invasion of Ukraine is resolved and Ukraine's territorial integrity is returned.

We are engaged in attempting to break the logjam for east Ukraine to implement the Minsk accords. These talks were frozen when the President took office. In our first meetings – in my first meeting with President Putin, he asked if we would appoint someone to work directly to – with him, with the Kremlin to see if we could restart these talks or restart some movement. I appointed former NATO Ambassador Kurt Volker to take that task on. The task we're working on immediately is – and we're focused on east Ukraine because the violence in east Ukraine continues. But we have higher incidents of civilian casualties and deaths in 2017 than we had in 2016, incidents of ceasefire violations are up 60 percent, and we must get the violence down in east Ukraine. And so our priority is to end the violence, stop the killing that's going on in east Ukraine, and we are working with Russia to see if we can come to some agreement on the mandate for a UN peacekeeping force that will bring this violence to an end. Then we can turn to the other elements that have to be implemented.

The government in Kyiv has much to do to continue their own reforms and to meet their obligations under Minsk. Russia has to use its influence on the rebel forces it is supporting in east Ukraine to end this violence and move us back towards progress under the Minsk accords. We will return to the issue of Crimea. I know that President Putin's made it clear that that's not on the table for discussion. It will be at some point. But today, we want to stop the violence in east Ukraine and let's see if we can solve that one.

In other areas with Russia, we are looking for possible cooperations where we have joint counterterrorism interest. We know we're going to have to continue to deal with Russia's hybrid warfare. We felt it in our elections and we now have reports from many European countries that they're seeing the same effects. It is something I do not understand about why Russia thinks it's in its interest to disrupt the free and fair elections of other countries. What do you hope to achieve? I don't understand it and no one's been able to answer that question for me. But we make it clear that we see it, it needs to end, it needs to stop, and it too stands in the way of renormalizing our relationships.

We maintain a very active dialogue with our Russian counterparts, very strong mil-to-mil dialogue, very strong diplomatic dialogue. And so we're going to keep that dialogue underway, but as we've said to our Russian counterparts, we need some good news. We need something good to happen in this relationship, and today we can't point to anything. We're waiting. We're waiting.

So lastly, in the Western Hemisphere, the things that we've been concerned with are obviously migration from Central America, from Mexico, transcriminal organizations, the narcotics trade in particular, which also supports human trafficking trade. But we do see many other opportunities with Central and South America. We have developed strong transcriminal organization dialogues with Mexico. We're hosting another round this week at the ministerial level. We co-hosted an event in Miami this year to – on Central American security and prosperity. And we are working together on the situation in Venezuela, both through the OAS and through the Lima Group.

I could touch on Cuba and some other areas, but I'm not going to spend a lot of time there. I'm happy to take those in a question. And in Africa, our concentration has really been on two primary arenas: addressing the emergence of potential terrorism organizations in Africa, but also addressing the humanitarian crisis that we're facing in the Sudan and other regions of Africa.

So it's been a really busy year. It's interesting to me that some people seem to want to observe that there's nothing happening at the State Department because I'm walking through this hollowed-out building and listening to the echoes of the heels of my shoes as I walk down the halls. (Laughter.) I had a great town hall this morning with the State Department, all of our State Department colleagues. We talked about the year in review. We talked about the redesign of the State Department. And yes, I have a lot of open positions. I have nominees for them. I'd love to get them in place. It makes a big difference.

But I want to tell you the quality of the individuals and the career people at the State Department, the career Foreign Service officers, the people that have served in ambassadorial roles – they're dedicated to the mission and they're stepping up into these roles. They may be in an acting role. They own it. They dive right into these issues. They have been nothing but supportive of the President's policies, the pivots that had to be made. And I know this is not easy for many of them because they've been executing a policy under the prior administration. We now are going to go a different direction. But I want to tell you, their ability and their nimbleness to quickly get behind and understand what the President's objectives and priorities are – and then we will work hard to deliver on that mission – that's something everyone at the State Department understands, and we talked a lot about it this morning. I couldn't be more proud of their accomplishments. All these issues I just touched with – I went through and touched on with you – there has been some bureau over there working on this throughout this year to reposition the President's policies and to execute against those. I feel very, very confident with the team we have in place now, and it's only going to get stronger as we add some more people to it.

But I'm going to stop there and sit down with Stephen Hadley, my old friend, and we'll have a conversation about what he wants to talk about, which may be more what you wanted to talk about. But I think the important thing I would say – and as I made that quick walk-around – I can take almost any two or three of those and we could put them on a whiteboard, and every one of them touches the other. And so a lot of people – it's interesting when I have conversations with people about, well, what are you getting done in a particular arena, is to compartmentalize. And this is not a world that lends itself to compartmentalization any longer. There's too many interconnections, there's too many intersections, and recognizing those is important if you're really going to solve some of these and solve them once and for all.

So it takes a little longer. It's hard work. But that is the nature of diplomacy today in this very complicated world we find ourselves in, which has far too much conflict going on. Our mission in life is to calm down and put an end to some of these conflicts. As I tell people at the State

Department, I've told others, the first question I ask myself every morning when I get up: How can I save a life today? Because we've got too many lives being lost in too many conflicts. Thank you. (Applause.)

MR HADLEY: Well, that was terrific.

SECRETARY TILLERSON: It was a jog. (Laughter.)

MR HADLEY: It was terrific, and it's good to see you on a stage explaining the policies of this administration. I travel a lot around the country and around the world, and it's the questions on everybody's lips: What is the Trump administration on – policy on X, Y, and Z? And you've set it out in a very convincing way, and I must say, without the burden of a prepared text, which really shows your mastery of the issues. So congratulations, and it's good to see you out communicating more. The country and the world wants to hear it and nobody can do it better than you.

I also want to point out that I think you've put a stake in the heart of this notion this is – administration does not believe in alliances. That's been plaguing the administration for a while, and I think you made it very clear that you recognize that alliances are a unique resource for this country and something that you intend to use very actively in your diplomacy.

SECRETARY TILLERSON: Indeed.

MR HADLEY: The record on ISIS is obviously an impressive one. We have about 15 minutes before the Secretary has to leave, which is not a lot of time, and there are a number of questions that's come in. So I'm going to try to group some of these questions together –

SECRETARY TILLERSON: Sure.

MR HADLEY: – maybe get three or four of them, and let you go on your way.

Since this is a conference focused on South Korea and Asia, we should probably start with North Korea. I have probably 10 questions on that subject. They center on two things which I'd like to cover with you: One, how optimistic are you about being able to achieve denuclearization through diplomacy? And if you're optimistic, then when do we start the diplomacy? There's a view out among some that in fact the administration is and should be letting the pressure build on North Korea – ramping up the sanctions, putting pressure on China to put more pressure on North Korea, getting Russia into the tent so they don't substitute for what China might be cutting off. And that may be the right approach, but in your view, when do we get to the negotiations? And is there any precondition? And the one, of course, people are concerned about: North Korea says they will not come to the table to talk about denuclearization; our position is that's the only thing worth talking about.

How do you get over that? So can you talk about how the diplomatic process might unfold?

SECRETARY TILLERSON: Well, first I would say the diplomacy is underway. It

has been underway. In fact, the entire sanctions regime, the pressure campaign, that is a piece of diplomacy, is – it is how to create an understanding on the part of the North Koreans that the world does not accept this, so that they understand that if they continue, the isolation just continues. So that in and of itself is diplomacy, and it was – and was a very deliberate decision taken at the outset of the policy itself, is that simply picking up the phone and calling Kim Jong-un back in February when – and March when we first were developing this and saying, “Hey, we really don’t like those nuclear tests you’re doing. Can we sit down and talk,” probably was not going to get anyone to the table.

So I think we took the view and we looked at the past efforts and talks, and the President has touched on this many times, that others – we’ve looked at what others tried and failed, and the North Koreans have been masters at always gaming those talks. And they have never proven to be a reliable counterparty. So we decided we were going to undertake this very intensive campaign of sanctions this time, but it was only going to be successful if first we built up very broad international participation. So this wasn’t just about the United States and a few other countries, but it was very broad-based in its participation, and it had to have the active engagement of China and Russia in a very serious way. And this really was the beginning of discussions with China, and much of the decision to go forward hinged on China’s telling us they would participate. And I will tell you, in our judgment, they have participated; they are fully implementing the sanctions. That’s why it is having an effect.

The President would like to see China cut the oil off. The last time the North Koreans came to the table, it was because China cut the oil off. Three days later, the North Koreans were at the table talking. And the President feels we’re really at that stage. So he’s putting a lot of pressure on the Chinese to do more with respect to oil.

When do the talks begin? We’ve said from the diplomatic side we’re ready to talk anytime North Korea would like to talk, and we’re ready to have the first meeting without precondition. Let’s just meet and let’s – we can talk about the weather if you want. We can talk about whether it’s going to be a square table or a round table if that’s what you’re excited about. But can we at least sit down and see each other face to face? And then we can begin to lay out a map, a roadmap of what we might be willing to work towards. I don’t think – it’s not realistic to say we’re only going to talk if you come to the table ready to give up your program. They have too much invested in it. And the President is very realistic about that as well.

And so it’s really about how do you even begin the process of engagement, because we’re dealing with a new leader in North Korea that no one’s ever engaged with. And he clearly is not like his father nor is he like his grandfather, and we don’t know a whole lot about what it will be like to engage with him. And that’s why I think my expectations of how to start are really framed around, first, I have to know who my counterpart is. I have to know something about them. I have to understand how do they process, how do they think. Because getting to an agreement, as all of us know, in negotiations means a willingness to talk about a lot of things. Let’s just

put a lot of things on the table. And what do you want to put on the table? And we'll tell you what we want to put on the table. And the important thing is that we get started.

The only – if there was any condition at all to this, it's that, look, it's going to be tough to talk if in the middle of our talks, you decide to test another device. It's going to be difficult to talk if in the middle of our talks, you decide to fire another one off. So I think they clearly understand that if we're going to talk, we have to have a period of quiet. We've got to have a period of quiet or it's going to be very difficult to have productive discussions.

And so we continue to indicate to them we need a period of quiet. You need to tell us you want to talk. The door is open. But we'll show up when you tell us you're ready to talk.

MR HADLEY: Right. Let me ask you a second question. There is a lot of talk about use of force. Some people have said the likelihood of a use of force in a conflict on the peninsula is at 40 percent. I sometimes puckishly say to people, well, that's an indication – that people are talking in that way is an indication of the success of the President's policies, because he's really convinced people that solving this problem is really important and it is part of the way of getting attention of both North Korea and China. On the other hand, there are a lot of people who have written risks and concerns, and a concern, for example, with someone like Kim Jong-un, who we do not know and who's been pretty isolated, that he might at some point think the United States is coming for him militarily and then preempt.

So how do you look at this issue of the likelihood of military force when we hear from administration folk – spokesmen that there are military options? What are they talking about?

SECRETARY TILLERSON: Well, I think any successful diplomatic effort of this nature has to be backed up with some type of a military alternative, and it can't just be a threat. It has to be a credible alternative. And the President also requested that from the outset, that the threat of a nuclear-armed North Korea – now, I know many people have asked the question of, well, why can't you live with a containment strategy? You lived with it with Russia; you lived with it with China; you lived with it with others. And the difference is that the past behavior of North Korea, it's clear to us that they would not just use the possession of nuclear weapons as a deterrent. This would become a commercial activity for them. Because we already see elements of it in the commercial marketplace. And in a world we live in today where our greatest threats are non-state actors, we simply cannot accept that. We can't accept a nation that has no established record of abiding by any kind of international norms. That certainly was not the case with the Soviet Union. It's certainly not the case with China. It's certainly not the case with other nuclear countries that possess nuclear weapons. These are countries that have a history of abiding by certain international norms. North Korea has no such record. In fact, their record is quite contrary to that. And that's the reason the President and I agree with his assessment that we simply cannot accept a nuclear-armed North Korea, and I think that's

why it is the policy of the neighborhood as well.

So it is important that the diplomatic effort be backed up by a very credible military alternative. And yes, there are – there are multiple military options that have been developed to deal with a failure on my part. That's why I say we're going to work hard to not fail. And the President wants that, and he has encouraged our diplomatic efforts. But I think he also takes his responsibilities to protect the U.S. and our allies from this kind of a threat seriously, and he intends to ensure that they do not have a deliverable nuclear weapon to the shores of the United States.

MR HADLEY: We're running out of time and a lot of subjects we could cover. I'm going to stay on this one to try to cover it intensively and give you two things to respond to, and then we'll wrap it up. One is respect to China. A number of people say that China is concerned that if it puts too much pressure on North Korea, the regime will collapse. That means refugees going across the border, and maybe the United States and South Korean forces moving into North Korean territory. And there have been a lot of people who have talked about the need for a strategic conversation at high levels with China to get an understanding about what would happen and not happen on the part of China and the United States in the event of those contingencies.

You've been public about some noes that I think have been reassuring. What are the prospects? Is the U.S.-China relationship – and I'm not asking you to go into any details – but is the U.S.-China relationship at a point where that kind of discussion is possible? And secondly, we haven't talked about Russia because the more pressure China puts on North Korea and cuts off resources, it's a potential that Russia would come in and fill those. Is Russia on side in this effort? And can you talk a little bit about the diplomacy with Russia regarding North Korea?

SECRETARY TILLERSON: Well, let me address the Chinese question first. And one of the real values of these new high-level dialogues and the diplomatic and strategic dialogue that Secretary Mattis and I chair with our counterparts, and we actually have included Joint Chief of Staff Chairman Dunford, General Dunford, and his counterparts from China as well. These are the subjects of these dialogues, and to try – for us to gain an understanding of, first, how credible do we think the Chinese concern is about a mass flow of refugees across the border in the event of a regime collapse. China is taking steps to prepare for such an eventuality. I think it is something that they can manage. I don't think the threat is as significant as perhaps others view it. I don't want to be dismissive of it, but it's not an unmanageable situation. And they already are taking preparatory actions for such an event.

We also have to – have had conversations about in the event that something happened – it could happen internal to North Korea; it might be nothing that we from the outside initiate – that if that unleashed some kind of instability, the most important thing to us would be securing those nuclear weapons they've already developed and ensuring that they – that nothing falls into the hands of people we would not want to have it. We've had conversations with the Chinese about how might that be done.

The four noes that I articulated in that first trip to Asia were intentional: that we do not seek regime change; we do not seek regime collapse; we do not seek an accelerated unification of the Korean Peninsula; we do not seek a reason to send our own military forces north of the demilitarized zone. We have had conversations that if something happened and we had to go across a line, we have given the Chinese assurances we would go back and retreat back to the south of the 38th parallel when whatever the conditions that caused that to happen. That is our commitment we made to them.

Our only objective is to denuclearize the Korean Peninsula, and that is all. And out of that and out of these discussions, perhaps we can create a different future for the North Korean people because the one they have right now is pretty dismal.

As to Russia's participation, Russia has been very supportive of the UN Security Council resolutions. They could have vetoed them. They could have blocked them, but they didn't. I think on the sanctions implementation, it's not as clear to us how fully those are being implemented. We know there are some violations. They're not hard to see. We see what they are, and we, in particular, have had – I've had many conversations with Foreign Minister Lavrov about specific issues that we see that we would ask that they close those off. Forced labor is one in particular. There are a large number – something around 35,000 – North Koreans working in Russia to date. Russia has a labor shortage. They have economic development in the east in particular that they're undertaking. So I understand why they have an economic stake in this. But it is also undermining the effectiveness of the sanctions. So we do talk very specifically with our Russian counterparts about what we ask that they do.

By and large at the Security Council, again, they've been very supportive of the sanctions. They voiced their view of how effective they think those may be. But we do need Russia's support. And when we get to the point that we're actually going to start solving this problem, we're going to need everyone in the neighborhood, I call it. And it's going to be important, obviously, first and foremost, to our allies in the Republic of Korea, but it's going to be important to Japan, Russia, China, everyone is there to help ensure success around a diplomatic talk – around diplomatic talks.

MR HADLEY: We've come to the end of our program. I want to thank our Korean participants and partner, the Korea Foundation, and the Atlantic Council, of course. And a special – especially Dr. Miyeon Oh for her brilliant work in setting all this up today. I want to thank you all for coming, and please join me in thanking Secretary Tillerson for being with us. (Applause.)

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