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Can Diplomacy Succeed? What if Diplomacy Fails?

Wednesday, April 28, 2004

8:30 a.m. - 12:00 Noon

Falk Auditorium
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C O N T E N T S

Panel 2, 10:30 - 12:00 - Northeast Asia and a Nuclear North Korea

MR. RICHARD BUSH: Why don't we go ahead and get started, if I could have your attention. I, too, would like to thank the panelists from their first session for their outstanding contribution, and now we move onto the second session, which is a thought experiment. It's an exercise in speculation.

I, frankly, have no idea how it's going to turn out, but I think it's useful to think about the future in hopefully creative ways. It helps us sort of focus our mind on the present. And the premise for this discussion, this thought experiment is, what would life be like in Northeast Asia if North Korea became a declared nuclear power?

There was discussion in the first panel that they, up until now, have pursued an artful ambiguity, not being absolutely clear on what they have, and that has helped some actors, South Korea, China and Japan, to avoid actions that they might otherwise have to take.

What would happen if that changed? How would Japan react? How would China react? How would South Korea act? How would North Korean behavior change?

Let me offer as a hypothesis that if North Korea became a declared nuclear power, there for all to see, that perhaps the difficulties that we have now with bargaining with such a formidable, skillful adversary, would become all the more difficult and that North Korea would use its status as a nuclear power even more to extract benefits. I don't know if that's the case. I offer it as a hypothesis. And the purpose of the panel is to explore this idea in more detail.

Our first panelist, to help us discuss it, is probably the world's leading expert on nuclear blackmail, at least he's written a book on it. It's Professor Richard Betts of Columbia University, formerly a senior fellow here at Brookings.

Dick, welcome back. It's nice to have you.

Our second panelist— [Katsu Furukawa, Senior Research Associate, Center for Nonproliferation Studies, Monterey Institute of International Studies].

[Tape change.]

MR. BUSH: [In progress] --talking about Japan's perspective; then David Kang from Dartmouth University, one of our country's leading young Korea specialists. And then Jonathan Pollack of Naval War College--again, one of our country's esteemed senior China specialists.

MR. POLLACK: The old specialist.

[Laughter.]

MR. BUSH: Oh, I didn't say "old."

So, let's start with Dick Betts. Dick, how has nuclear coercion, nuclear blackmail been used before, for example, during the Cold War?

MR. BETTS: Well, it's refreshing to have a public policy discussion call on history to inform it. I'm glad to be brought back to the subject I looked at in the Brookings book a long time ago, but that also means there may be some declassified information I'm not up on, on that question. But the main question during the Cold War in this regard was about threats to initiate the use of nuclear weapons in order to compel the enemy to come to terms in a crisis.

The story is not a dramatic or a clear one. But there were numerous cases during the Cold War of nuclear threats, although they were all, really, ambiguous or tentative or vague sorts of threats; for example, elliptical statements in presidential press conferences or vague references in diplomatic communications. So there's a great deal of controversy about how much and what to make of them.

But it seems to me one could count examples of this on the part of the United States in the three Berlin crises in 1948, '58-'59, and '61; in Korea in 1950 and '53; the Taiwan Straits two crises during the 1950s; Lebanon in 1958; the Cuban Missile Crisis; the Middle East War in 1973; the Carter Doctrine in 1980; and by the Soviets, over the Suez Crisis in 1956 and the Sino-Soviet border clashes in 1969.

Most of these cases were vague threats by the United States, and most of them were early in the Cold War. And they correlate, for the most part, with being the superior power in the confrontation, the superior nuclear power. But the United States still made a couple of these vague threats after the arrival of nuclear parity, and the Soviets made a couple of them when they were still regarded as inferior in the nuclear balance--although in the 1956 case, arguably, it was directed mainly against Britain and France.

I just mention this to suggest that there aren't any clear limiting conditions to when this sort of tactic is used in crisis bargaining.

What sort of rationale was behind these kinds of vague threats? It was not a rationale that sort of articulated a clear, definable intent about how weapons would be used and how the United States would avoid unacceptable consequences in return. It was sort of a risk-maximizing tactic to gain leverage in the crisis through the threat of catastrophic escalation almost irrespective of the other side's capacity to retaliate--in a sense, more like Russian roulette than like chess.

And in this sense, it strikes me this sort of a rationale is consistent with what one might expect from North Korea, given past behavioral patterns and certainly what appears to be a penchant for taking great risks and doing things that seem reckless to outside observers, even

suicidal. In a way, it always struck me that's what the threat in the 1990s to regard sanctions as resulting in war really was.

In any case, the last point about these cases of nuclear threats was that they were generally not seen in the same way by the countries that made them and those that were the targets. In most cases, the United States saw these threats as some form of deterrence, while the Soviets or the Chinese, against whom they were aimed, saw them as blackmail. This may not be surprising, but I think it points up an essential problem. And one sees it today, when so much American commentary about the danger of North Korean nuclear weapons is the danger of North Korean nuclear blackmail--they would use them for sort of an active coercive purpose, unprovoked, whereas it seems to me that, at least in logical terms--and of course, you know, talking about our own logic--North Korea's main interest in nuclear weapons is to have them as a deterrent.

But if both sides see the use of nuclear threats in these different ways, that strikes me as potentially a recipe for miscalculation.

MR. BUSH: Given the use of risk maximization as a tactic, given the mutual misperceptions of what's going on, I wonder how effective the use of nuclear coercion was during the Cold War. Did it actually--was it functional for the people who tried it?

MR. BETTS: The simple answer, unfortunately, is we don't really know because the evidence is circumstantial and it's disputed. And people tent to interpret the evidence in ways that are consistent with their predispositions about whether these sorts of tactics make sense or not. We don't really, still, have reliable information on decision making and discussions within the Politburo or about what went through the minds of Khrushchev or Mao Zedong.

But I think we can say that none of the threats that have been identified were clearly unsuccessful. The United States, in most cases, backed off less from its entering position in the crisis, in which it used these threats as a crutch along with other tools--backed off less from its opening position than the Soviets or Chinese did in most of the cases. Which some would cite as at least weak evidence for at least marginal efficacy of the threats. Or in 1956, arguably, the Soviets got what they needed, which was the British and French withdrawal from Suez.

So there's no clear discrediting of this tactic as counterproductive or useless, even if the evidence that it's useful is weak or dubious.

And one might ask, if everything's so vague and uncertain, why pay much attention to the question. But it always struck me that the simple fact that national leaders believed that there was something to be gained from making these threats among other sorts of initiatives in the crises, the fact that they regarded this as a tactic to be exploited in any sense is in itself significant and has, I think, some implications for the prospect that other countries with nuclear weapons, under pressure, might be tempted in the same way to use the tactic.

And this leads, of course, to the question of whether to ignore or react or how to react when faced with this sort of threat without prompting escalation of the crisis beyond control. It's something we don't have a lot of experience with, since the United States is very seldom, really, the target of those sorts of threats.

MR. BUSH: With respect to Korea in particular, is there anything that we can learn about how nuclear coercion was used in the past on the Peninsula?

MR. BETTS: Hard to be sure, but I think it's interesting, at least, to look at the 1953 case a little more closely because that's the closest, I think, the United States ever came to a decision to use nuclear weapons to resolve a confrontation--in this case, the stalemate in the Korean War. I think there's ample evidence that Eisenhower came into office seriously considering tactical nuclear options in Korea and, under some circumstances, wider nuclear attacks on China.

But this leads to the question, too, did the North Koreans know about and understand U.S. nuclear threats. Did Kim Il Sung ever tell Junior about them, and did this make an impression that may span the generations? Did either reflect on the importance or utility of nuclear weapons for bolstering strategic leverage? Or do the North Koreans pay attention to declassification of information about U.S. policy deliberations on this sort of thing?

Anyway, Eisenhower, as I suggested, came into office genuinely interested in using nuclear weapons to break the stalemate on the battlefield, and he was more or less restrained--and, if you read the minutes of early NSC meetings, quite frustrated by the resistance of the Joint Chiefs and the military to the idea. The records I recall of the early NSC meetings sort of repeatedly had Eisenhower asking, Isn't there some way we can use these weapons?, with the military dragging their feet and saying, Well, not really, it wouldn't be very useful, or there aren't any good targets, or it would deplete our stockpile and, for any number of reasons, deflating the idea.

But in any case, there was an NSC meeting on May 20th, in 1953, which led to a document called "NSC Action 794," which was essentially a plan for a renewed offensive the following year if negotiations weren't successful, in principle including plans for nuclear strikes in North Korea, Manchuria, and on the Chinese coast. And Eisenhower and Dulles later claimed--although the actual evidence, at least when I was doing the research, proved to be pretty scanty--but they claimed that they then sent a number of signals diplomatically through various channels, including the Panmunjom truce talks, among others, to try to jolt the Chinese into coming to terms in order to avoid this sort of escalation.

There's a lot of controversy over how significant any of this was, whether the Chinese really got the point, and especially whether it was instrumental in bringing the negotiations to a conclusion or whether it was other things, like the death of Stalin, that really did the trick. We don't really know. Again, the evidence is circumstantial, and people tend to see these threats as important, if they're on one side of the debate, and not, if they're on the other.

And this was a half century ago, so it's in a way just perhaps idle speculation to wonder if there's a lingering effect. But at the least, you might guess that the North Koreans have been given reason in the past to believe that the United States puts great store in leverage to be gotten out of nuclear weapons.

MR. BUSH: Well, thank you very much. I think you've set an important benchmark in that history does matter here in terms of ideas of risk maximization, conflicting perceptions, and just recollections of what might have happened and how people perceive it.

So having sort of looked back, we're now going to look forward. Let's turn to Katsu Furukawa and a perspective about Japan.

Katsu, there's been a lot of discussion about Japan going nuclear if North Korea becomes a declared power. Tell me a little bit about the broad context in which those predictions or speculations are taking place.

MR. FURUKAWA: Yes. First of all, let me point out several major perception gaps between Japan and the United States on this subject of Japan's nuclear option. Certainly, today Japan's public, politicians, and media have become very pragmatic and everybody is feeling very comfortable to openly discussing Japan's nuclear option. But I just want to remind you about a major difference between free discussion on one option and approving this option. There is a clear difference on this matter.

While the American government and also American media forecast on their concern about Japan's real--the possibility of Japan becoming a, really, nuclear weapons state, the Japanese government concern was relatively related to how China may react to this kind of scenario. I think it isn't too much to say that the outlook for Japan's nuclear option, in Japan, remains relatively small and marginal and there is no virtual indication that Japan is so much enthusiastic to discuss this matter at this stage.

Originally, this issue has been raised, as far as we know, by senior U.S. officials and some cabinet members in their efforts to pressure China to give more pressure on North Korea to give up its nuclear weapons program. Since last year, sometime early last year, the Japanese government has been placed in a so-called Catch 22 situation; namely, if Japan remains silent on this matter, it will certainly facilitate American government efforts to press China toward that direction to give more pressure on North Korea. But on the other hand, if Japan remains silent, then the other possible--America, as well as the other countries, especially the Asian countries, become more and more concerned that Japan's silence on this matter may be really an indication of Japan's serious consideration of nuclear option. So eventually, I think one year ago, as we know, at that time China has placed a very hard, seriously, in a more responsible manner to pressure North Korea.

There is a view today within Japanese government that part of the reason why China has abandoned to continue its serious efforts to pressure North Korea could possibly be related to the fact that China became more confident that there was no indication for Japan to

become a nuclear weapons state. So in a sense, this issue has been a very touchy issue for the Japanese government. From the strategic perspective, the Japanese government believes that there is no utility in pursuing this nuclear option. But by explicitly stating so, it could undermine China's diplomatic incentive toward North Korea.

MR. BUSH: Very interesting. What is your own assessment of Japan's nuclear option?

MR. FURUKAWA: Well, first of all, there has been a history of U.S.-Japan alliance, that is, some major incident take place at one point of time. Then the initial discussion, public discussion in Japan was almost seen as being diverted from the traditional U.S.-Japan alliance. But eventually, as debates become more intense, more pragmatic consideration is inserted. And eventually, the ending point of the discussion will end up with a U.S. alliance, but in a more strengthened, advanced manner.

And I think this Japan discussion on nuclear option is also one of these phenomena; namely, very frankly speaking, if even the U.S. nuclear deterrence should not work against North Korea, what is the point for Japan to develop its own pathetic nuclear force which couldn't possibly, most likely, function against North Korea? I think although debate on this subject in Japan is still very marginal, but I think there is an emerging general perspective that, for Japan to go nuclear, there has to be at least four conditions that need to be met.

First, significant erosion in Japan's confidence in the credibility of the U.S. extended deterrence. Second, also a significant erosion in the legitimacy of the nonproliferation regime. Third, a rapid surge of the threat perception. And fourth, which is the most important factor, that is the U.S. approval for Japan to go nuclear weapons state.

Last year, when Vice President Cheney and Undersecretary Bolton and other senior U.S. officials, when they referred to the possibility of Japan becoming a nuclear weapons state in open media, this minority outlook at Japanese mistakenly interpreted the statement as a tacit approval of the U.S. government for Japan to go nuclear. And it's completely wrong, and they realize that this is completely wrong.

Also, if I may, to add two more components, which is that Japan have the--even after North Korea should acquire nuclear--I mean, demonstrate its nuclear deterrence capability exclusively, it still remains to be of Japan's significant interest to persuade North Korea from developing further their nuclear weapons state. This requires Japan's ongoing leadership in leading a regional nonproliferation arrangement. And also, Japan is also seriously concerned about the potential implication for proliferation in the Middle East, which Japan doesn't want because it's a major oil supply.

So there are many areas of reassuring scenario for Japan to remain outside of nuclear weapons states.

But having said that, I just want to remind you of one point, which is that, technically speaking, there is, I think, a recognition within the Japanese government that provoking this discussion or suggesting this option has at least some utility in trying to drive China toward a more responsible direction in dealing with North Korea.

MR. BUSH: Okay. Thank you.

So let's assume that Japan would, in the end, not pursue a nuclear option if North Korea had a policy of explicit deterrence. What would Japan do in response to that situation? What policies would it adopt?

MR. FURUKAWA: First of all, I think my argument was based upon the assumption that the credibility of the U.S. extended deterrence would remain effective in the -- of Japan. Although at the level of the public and the media, there is an increasing surge in Japan's-- almost in Japan's dislike of the Bush administration. But at the level of government, I think there is a significant increase in the credibility, Japan's confidence in the credibility of U.S. extended deterrence.

Assuming that this -- would remain intact, I think Japan's national objective will consist of three --. That is, for one thing, Japan would try to create a condition under which it would become extremely expensive for North Korea to sustain or further advance nuclear weapons capabilities; namely, through various diplomatic measures as well as economic sanctions, both unilaterally and multilaterally.

And also, Japan will continue to strengthen existing efforts, ongoing efforts over nonproliferation policy to construct an Asian regional network for nonproliferation, with a view to constraining North Korea's capability to procure related material.

And also, I think you will see a more intensified effort on the part of Japan to assure the territorial defense of Japan by advancing Japan's counter-proliferation capabilities; namely, I think there will be several components. For example, there will be a rapid shift in Japan's investment into developing and deploying missile defense systems; and also I think there's a high chance that we will see an enhanced U.S.-Japan bilateral cooperation to assure a joint capability to strike North Korean missile launching sites when necessary and inevitable. Employing conventional measures rather than nuclear measures could -- to develop capability for preemptive strike against North Korea, but jointly with the United States and also under very specific circumstances that would legitimize such actions in light of any existing international rules.

MR. BUSH: Okay. Thank you very much.

Let's turn to the South Korean reaction and David Kang. And at the outset, I'd like to shift from the security dimension of this to the economic dimension, which I don't think that we should ignore as a possible area where there could be serious consequences.

How might a nuclear North Korea, declared nuclear North Korea affect investment in capital markets in South Korea?

MR. KANG: Maybe to start, a little bit of background on the domestic politics that's going on. As most everybody knows, Roh Mu Hyun government, there's this big generational shift in South Korea. So I won't talk about that very much.

The South Korea of today is a culmination of, say, two decades of democratization, a number of dismantling of a lot of the established institutions, political parties that had been around for a long time, and so the South Korea of today is not the same South Korea even in the first '94 accord. And the way that they're going to respond to what happens with a declared nuclear North Korea is probably not the way that most of us who formed our opinions in the last decade or even before would expect.

In part, there's, I think in some ways, a misperception of what's going on in South Korea, that this is somehow new, that the rise of the left in South Korea is merely a function of either the last couple of years or even the last decade of democratization. I think it's worth remembering that South Korea has long-running, deeply held leftist elements to it going back to history, where in the 1940s it wasn't clear, if you had just let a real vote go on, that South Korea--where they would have voted, that they necessarily would have voted for Yi Sung-man.

So in many ways it was suppressed for four decades of authoritarian rule, and it's now back. But it's not as if this is something new. And I think when we start thinking about how a South Korea will react, it's worth noting that this is not something that's just a bunch of naive kids these days, you know, with their video games or something like that.

So in that context--and we'll come back to this, I'm sure, a little more--one of the things that people talked about is what would happen to investment, what would happen to capital markets if North Korea went nuclear. And to that extent, in some ways the Korean Peninsula is probably as safe now as it's been, certainly, maybe even 20 years ago, when there was more genuine worry about a real invasion by North Korea.

Nuclear weapons, that North Korea was declared--I mean, even now, we were talking about it in the morning session--everybody basically believes they've got between 2 and 8. So if they actually come out and say it, it's not as if capital markets right now haven't already put in a sort of risk premium and discounted for that. Institutional investors in Seoul--everybody's aware of the fact that North Korea probably has nuclear weapons.

So my sense is that in terms of actual economic markets in South Korea, there's a number of other domestic issues that matter more than will North Korea have capacity to destroy Seoul now, not just conventionally but also nuclear? They already have that capability. So in that sense--and this is where I think some people disagree, but I think that the actual declaration would not have as large an effect as some people think, like widespread panic or something like that.

MR. BUSH: Given that, how might a nuclear North Korea affect South Korea's relations with the United States, Japan, and China? Because those three powers are going to be reacting to this, or not reacting.

MR. KANG: Yeah. And here's where I think it's good to keep in mind that this is in many ways a different South Korea. And there is a generational split. By no means does every South Korean hate America and love North Korea. But it has moved significantly. And I think in some ways--this goes back to what we were talking about on the first panel, where there's a real--there's a schism between how the U.S. perceives the issue and how many of the Asian countries perceive it, particularly South Korea. And I think in some ways, here in the United States we sort of assume that either they do misperceive it--i.e., the South Koreans are naive--or that once there is something, maybe it would be they go nuclear, then South Korea will finally realize that they have to come on our side. And I don't think that that's the case.

The South Korean--the domestic politics right now, the Roh Mu Hyun government, the Uri Party, they're not as left as people here think. At the same time, it seems like the South Koreans right now far more see an even-handed share of blame to be given out: North Koreans and the United States. And they're not really in any desire to push one side or the other side or to jump onto it.

So in terms of a declared nuclear North Korea, it could happen that South Korea then says, okay, we have to go with a sort of more hard-line U.S. stance. My sense is that they would be sort of under-reacting to that and probably not coming over as far as we may think.

MR. BUSH: You mention that we just had National Assembly elections in South Korea. How's that going to affect U.S.-ROK relations in general and, specifically, their respective policies towards the North?

MR. KANG: Here's the thing. I think what counts for leftist in Korea is more centrist than, again, we tend to think. Roh Mu Hyun came in with a reputation as a revolutionary, and in many ways he's very revolutionary for Korean politics, meaning not necessarily that well educated, definitely from outside the mainstream. But in terms of his policies, don't forget the Uri Party already, before the elections--and Roh Mu Hyun was in favor of South Korean troops to Iraq--I think realized in many ways that they didn't want to abandon the U.S. alliance. It doesn't appear now that the National Assembly would be--I mean, things may change, but right now the actual policies that they seem to be pursuing are more centrist and more even-handed than necessarily some kind of large backlash against the United States.

The other thing to point out with respect to China is that South Korea is clearly looking more towards China as a potential--not necessarily an ally, but a partner. And this also is a trend that is only going to continue. And in some ways, it's really interesting, because having spent a lot of time in Seoul when there was, you know, only Japanese and English and all of sudden you go around and all the signs are in Chinese, it's different. Right? But in a way, it's far more natural the way that China and South Korea, or Korean Peninsula, have always interacted.

And so I think that that extent as well, it's less a nuclear North Korea than a sort of, in some ways, a reemergence of a Northeast Asian order, where China was an important player. And South Korea knows that and is no longer--this doesn't mean they're going to abandon a relationship with the United States, but I think the days of South Korea looking purely to the United States, without having a sense of China being an important player, are probably over. And I think the six-party talks are an example of that, because China is the one that's leading it.

MR. BUSH: One final question. Let's sort of assume that, consistent with my initial hypothesis, that Kim Jong-il uses this status as a basis to act even more aggressively than he is so far. What's the reaction among the South Korean brothers?

MR. KANG: Well, I mean, you know, the thing is right now deterrence has held for 50 years. If North Korea gets nuclear weapons, we don't have any reason to think that deterrence would fail. In fact, deterrence might hold even more, as-- You know, deterrence is threatened when one side gets to be too strong and then is in danger of preempting on the other side. On the Peninsula itself, North Korea already has, as we know, the capacity to basically destroy Seoul with its 10,000 artillery too. On the Peninsula, it's not clear that there would be necessarily more chance of North Korean adventurism. How the population would respond, you know, if they started to lob one--you know, we're talking extreme cases now. But were they just to declare or test, it's hard to imagine there would be as much of a reaction as maybe we think.

MR. BUSH: What about North Korea sort of making demands for more economic assistance and there's a threat implied and the South says, oh, we've got to calm them down?

MR. KANG: Right now, I think in South Korea there's a lot of polls, they're just talking to people in the street. There's a large sentiment in South Korea for continuing and maybe even increasing aid as it is. And there's--I mean, and here's one thing in terms of sort of updating impressions, I think in the United States, one of the things about being in South Korea is, whether it's just superficial or not, if you've seen on TV, they're reconnecting the railroads and 200,000 South Koreans going to the North in the joint teams, their impressions in some ways are more updated of the steps that North Korea has taken.

There's obviously a huge argument in the United States and in South Korea as to whether these reforms are at all serious or not, but there's also no doubt that North Korea is not the same North Korea it was in 1994. And so in South Korea, the impression, in some ways--maybe the younger generation is the one that has updated their impressions and the older generation of the United States are the ones who still see only one side of North Korea. So in terms of economic aid, I think there is a desire, that this is actually relatively cheap.

MR. BUSH: Okay, thank you very much.

Jonathan Pollack, I'm interested in your views on how China might respond to this situation. First let me ask you a threshold question, and that is what would trigger a decision by North Korea to abandon this sort of artful ambiguity that it has pursued for over a decade?

MR. POLLACK: Thank you, Richard. Let me emphasize today that what I'm going to talk about are my own views, very personal, in no way, shape, or form views of the United States government, which does employ me. Having said that, I've long subscribed to the belief that the United States sometimes may want to follow a no-first-thought policy, but in this particular case you've asked me to speculate.

Analytically, I think we might want to keep three separate images in mind before I give you a sense of the different context of circumstances under which North Korea might revisit its nuclear ambiguity. The one that's already been mentioned is Libya. Rightly or wrongly, the presumption that it would be prepared to forego its options--putting to one side, of course, the fact that Libya did not have an active nuclear weapons program and, if some accounts are to be believed, didn't even really have complete centrifuges; it has casings for centrifuges rather than the rotors. But we'll put that to one side.

Second, the case, and the one we would worry about, obviously, is if North Korea ultimately goes down the path of India and Pakistan. In other words, removes any residual ambiguity, even though people would have assumed that you had such weapons all along or could activate it quickly, and actually decides to test a nuclear weapon. And that's one point I want to emphasize. The question here, in part, is what do you do to demonstrate that you are a nuclear state? Are there things short of an actual test of a nuclear weapon that North Korea could do that would convince otherwise? If we believe Glenn Kessler's account in the Post this morning, the United States is coming around to a belief, well, gee, maybe they really do have X number more. Granted, that's an assumptions game and a numbers game, and we can all do the math, and we'll put that to one side.

But in many ways the most relevant example at the moment of North Korea--if I'm trying to put North Korea in a category--is Israel, where few would dispute that Israel has a significant nuclear weapons capability, but the Israelis have been very artful. They insist, you know, we would never be the first to "introduce" nuclear weapons into the Middle East--whatever that may mean. It may be a distinction without a difference. But I'm simply saying that that's kind of where North Korea is, with gradations, today. In their own case, it's a much more, dare I say, transparent ambiguity than in the case of the Israelis.

But what would get North Korea to shift? What are the circumstances that might lead it to shift? And I can actually envisage, in this thought-experiment way, three very different scenarios; different scenarios in the sense that the reasons for and the expectations of an outright test of a nuclear weapon are very significant. Let me give you the three.

The first would be a decision by the North to detonate a nuclear weapon, triggered by an acute crisis or a fear of imminent attack or potential meltdown of the North Korean system. In other words, in some fundamental sense, to foreclose, as the North Koreans would see it, a belief that the United States, with or without others, might actually be prepared to undertake coercive measures to eliminate or to try to eliminate the North Koreans nuclear weapons capability. North Korea, as that final, if you will, insurance policy against the consequences of the United States striking the North, would in fact detonate on its own. So that's number one.

Number two is--and this is kind of a, really, an artful North Korean strategy, would be one that would reveal more to prove the credibility of the threat to fully nuclearize, recognizing that a detonation of a nuclear device--as Sig Hecker reminded the North Koreans when he was there--is not the equivalent of a deployable nuclear weapon.

Nevertheless, if there are some who still are skeptical--many times we've heard some in the United States say, well, you know, the North Koreans are really bluffing about this--what is it that you would have to do in order to underscore that point? For example, although it is true that the North Koreans have been dragged into the six-party talks, you know, essentially kicking and screaming and induced by the Chinese and with the Chinese sweetening various offers to get them there, in a funny kind of way North Korea may like that kind of an environment. What if, at a future point--and I don't what to say when that future point might be--the United States no longer deems the six-party process worthy of significant cultivation? That seems unlikely, but it does seem to me that North Korea would have options to demonstrate the credibility of its nuclear weapons potential and possibly of an actual test by revealing somewhat more. If Dr. Hecker were to go back again, come back with a list of additional questions; that door was beginning to open, at least, or so it seemed to suggest--what more might they reveal?

Again, this highlights, by the way, the very, very unsatisfactory character of the piece that David Sanger had in the New York Times about 10 days ago. When I see articles that appear in our newspapers that make attributions about technology, the first thing I do is I get on the phone with people who know what a nuclear weapon looks like and know how it operates, would recognize the components if they had it. The very easy answer--again, accepting David's account, and David and I have actually talked about it--what would you be able to know from the equivalent of a drive-by observation of three hypothesized nuclear weapons? The answer is almost nothing. Indeed, it's a question of whose lies do you want to believe? Do you want to believe North Korean lies? Do you want to believe AQCON lies? Do you want to believe Pakistani government lies? Et cetera.

So the point here is, if North Korea judged, even for purposes of still arguing that they still were prepared to negotiate their way out, even though I am unaware of any country--other than the possible covert test in the case of South Africa--that, having detonated a nuclear weapon, has ever walked back from that. In the cases where some have given up programs, it wasn't when they had already detonated.

So this is Case No. 2. It might even still be, oddly enough, to retain some kind of a capacity--strange as it may seem--to still negotiate your way out of it but to demonstrate that much more credibly how serious you are.

Number three is--and this is, I think, implicit in what Gordon Flake said before--is that North Korea basically has made a decision, or at a future point would make a decision, that despite other possibilities, options foreclosed, that the only way North Korea can ensure its security long-term is in fact to become an avowed nuclear weapons state--outside the NPT, like India and Pakistan. This presumably might involve the need to test, to be able to demonstrate that

you have a workable design. But it would be an argument that at a certain point, North Korea would feel it has enough fissile material, whether that is of plutonium or, hypothetically at some future date, possibly HEU, but they would have enough to map out what a deterrent would look like.

How they manage the implications of going avowedly nuclear maybe we could talk about a bit more.

MR. BUSH: That would probably lead to an interesting discussion between Kim Jong-il and the heads of the KPLA. I wonder if it would be similar to the conversations that Eisenhower had with his own chief of staff. But we'll leave that aside.

MR. POLLACK: We'll leave that aside, but you know, as several have said, the presumption would be that North Korea's desire in this context would be primarily for purposes of deterrence. I mean, even though you could say that there's deterrence on the Peninsula with or without nuclear weapons, it might be that--if you will, that added measure.

But I'd go a step farther. The question would be, under those circumstances, what would North Korea be able to do to deflect the likely responses to this, whether coming from China or from others? And I would argue that the North Koreans in this context would dust off the 1964 file, find the statements that the Chinese issued on October 16, 1964, declare that these weapons are unambiguously no-first-use, solely for purposes of protecting North Korea's national security and national defense and territorial integrity. North Korea, whether you believe it or not, would make explicit pledges not to export, not to do anything mischievous. Whether we buy that or not is a different matter. But I'm simply saying how you--and again, for the Chinese, imitation is the sincerest form of flattery.

In a funny way, North Korea--the Chinese know North Korea, know it in this sense: If you look at North Korea today and the circumstances it confronts, it eerily parallels those that China faced in the early 1960s--enemies real and imagined, total international or near-total isolation, privation of a very, very acute sort. North Koreans know starvation; Chinese knew starvation. And indeed, consideration given in the earlier context to possible preventive options for the United States, which we did not follow.

So I'm simply saying that the Chinese, in some interesting way, regardless of the fact that we're in a different era and different circumstances, know at some level what that imperative, that survival imperative might be seen, as seen from the North Korean perspective.

MR. BUSH: That, I assume, is the Chinese response to the third of your scenarios. What's the response to scenarios 1 and 2?

MR. POLLACK: Well, I would say in the case of number one, it would depend a lot on also how the United States opted to respond. I mean, one of the big issues right now, we all talk about red lines. To be very frank, I don't know what the United States red line is. It's never really been specified. It's been implied that it would be credible evidence or a suspicion that

North Korea was going to transfer materials. That's the so-called nuclear Wal-Mart model that we often hear about. At different times, Secretary of State Powell has had a relatively relaxed view on this--you know, well, if they tested, they tested; what's the big deal?

So a lot, I think, would depend, again, on the context. If we were in an acute crisis on the Peninsula--and that's the context that I was hypothesizing under number one--it would seem to me it would very, very likely accelerate all kinds of efforts by China to try to defuse a larger crisis. Indeed, it may also depend on whether or not North Korea chooses to inform the Chinese in advance, however implausible that may seem. But if you're in that kind of a danger zone, that would be the operational test of what that Chinese pecking order is on what they worry about most--not just China, but others.

If war is perceived as an option by the United States--and I'm not arguing for a moment that there's any evidence right now that we are considering that--nevertheless, if we preclude a negotiated outcome, you really only have two options--unless North Korea gently goes into that good night or whatever--and that is simply either you try to better contain and isolate and deter the North, or you follow the dictates of what is still the U.S. national security strategy, which says the possession of weapons of mass destruction by a so-called rogue state is unacceptable to the United States.

So under those circumstances, what would we do? Again--and then getting into number two, the idea that they would wish to be more credible in a nuclear capability, or at least still have it there for bargaining purposes, the North Koreans may well believe that, you know, as in the case of India and Pakistan, the United States, you know, at the end of the day, if a state is determined to have nuclear weapons and determined to test them, there may not be a lot that you can do about it other than to try to prudently prepare and defend and deter against that, but not move more actively than that.

So I'm not saying that the Chinese would enjoy this kind of a circumstance, but if the North Koreans do it in a way and at a time that tries to justify it, however implausible this may seem to us--I mean, North Korea doesn't win a lot of popularity contests--you may then have just another case of deterrence.

MR. BUSH: Okay. Thank you very much. Thank you to all the panelists. We're now going to open it up. I said at the beginning this was a thought-experiment, a speculation. So the people up here have no monopoly on insights, and there are a lot of insights out there. So we now invite you to sort of contribute to the thought-experiment through questions and comments.

QUESTION: My name is Sook-Jong Lee. I'm a CNAPS visiting fellow from South Korea.

I guess North Korea is already de facto a nuclear power. I can't imagine even the testing, nuclear test is going to push more South Korea and Japan to go for nuclear. Maybe the South Korean government will stop the economy aid or the engaging with North Korea, like

setting up the infrastructure. That maybe for Japan, they're going to -- their cooperation with the TMD project with the USA.

My scenario is like South Korea, the only possible condition that South Korea would go for nuclear is Japanese nuclearization. And only possible Japanese nuclearization as the U.S. demands to go for nuclear, to Japan, maybe for the -- strategy toward China or whatever.

So for me, it sounds like not North Korea. The real factor to change all this nuclear regime in Northeast Asia is like a U.S. intention. Whether, I mean, Mr. Pollack or Mr. Furukawa can mention about these possible changes in U.S. nuclear strategy toward--in the Northeast Asian region.

MR. BUSH: Dave, do you want to talk at all about sort of South Korea's nuclear intentions? I think I know the answer, but—

MR. KANG: Yeah, but we can go on, though.

MR. BUSH: Okay. Mike?

QUESTION: I have a question for Mr. Betts. My name is Mike Miyazawa.

You talked about the purpose or utility of North Korean nuclear weapons--A) deterrence, and B) blackmail. I think Mr. Pollack put more emphasis on deterrence. Many U.S. policymakers and congressmen, sometimes, talk about nuclear blackmail. My question is how can North Korea use nuclear blackmail realistically and practically, against whom, for what, in what form? And finally, maybe this is most important, how likely is it?

MR. BETTS: Well, personally, I don't think it is very likely in the sense of unprovoked attempts to use the threat to use nuclear weapons to achieve positive gains. So that's one of the reasons that I think the option of relying on deterrence and containment and living with a nuclear North Korea is a generally underestimated option, given the unpalatability of many of the alternatives.

However, one scenario that has sometimes been brought up, which I find to be a real stretch--although, as we've seen North Korean behavior over the past half century, it has often gone beyond a stretch--but what has sometimes been mentioned is the use of a nuclear deterrent as a shield for conventional aggression in the same way that during the Cold War some hawks feared that Soviet achievement of nuclear retaliatory capability would make the world safe for conventional war, that the United States would never dare implement the escalation doctrine to defend NATO. So it's sometimes been argued that North Korea would feel somehow protected against severe American retaliation if it struck South Korea. It's hard for me to really see a situation in which that is plausible, but that's the one case that has been brought up.

Others sometimes suggest vaguely that simple hatred for Japan or an attempt to rally support in South Korea by coercing Japan would lead to threats against Japan. But again, without provocation, that's somewhat hard to imagine. At least for a layman, though, as I've said, one cautionary factor is the number of junctures in the past that North Korean behavior has been something that was very hard for most people in the West to imagine before the fact.

The one thing, though, that I think--this only partly relates to your question, but I want to throw it in just because it's a little hobby horse of mine--the one thing that has been underrated in all the discussion is the potential of North Korea to threaten not just Japan or South Korea or states in the region, but the United States itself. And depending on what the scenario is, you can take it or leave it. But I think the view of many Americans that the real danger is simply the danger to the region in which the United States has an interest is misplaced confidence, because North Korea does not need ballistic missiles to deliver a handful of nuclear weapons against the United States. Clandestine delivery and other means, when you're talking about a small number, is certainly no less imaginable than crashing airplanes into several buildings was on September 11th.

Now, that could be related to a deterrent, too. In other words, if the North Koreans really feel pressed, the United States has reason to feel inhibited from turning the screws to the point that the North Koreans would see themselves as going down. Because that would be, to me, a threat that was not incredible even if it was a strictly deterrent threat.

MR. POLLACK: Can I just jump in here? You know, part of the problem in analyzing North Korea is obviously that it's not a society that any of us would aspire to live in or emulate and so forth. But for those few who have undertaken serious analytic work on North Korea, North Korea has its own logic, its own strategies, its own diplomacy, which are not so obscure, frankly.

There's a superb dissertation out of SAIS from a couple of years ago, by [inaudible], who's a young Japanese scholar from the National Institute of Defense Studies, that I recommend to anyone, which literally takes every instance of where North Korea has used force, going back to, God knows, in the '60s--I don't think he did the '50s, I'm not quite sure if I remember--and looks at the risk-taking calculations, expectations, political outcomes, and so forth. In other words, makes it an object of study rather than it being a cartoon. And I'm not saying that anyone here on either of these panels treats North Korea as a cartoon. It's a danger and it's a worry and there's all kinds of questions about what the implications would be. But there's a database here, it seems to me, that we can draw on, and I'm heartened to see that some people are trying to tackle it.

QUESTION: Rust Deming from NDU.

Let me just try to see if I understand the implications of what you're all saying. What I take away is that Japan is likely to be able to absorb a North Korean nuclear test, the ROK is likely to be able to absorb a nuclear test, PRC is likely to be able to absorb a nuclear test. There's a real question whether the U.S., from a political point of view, through a 9/11 lens,

through the rogue-state point of view, will be able to absorb this. And that would put us in a position of reacting in ways different from our three key allies in the whole six-party process.

Is that an accurate perception? And if so, what is the U.S. policy alternative in that kind of situation?

[Laughter from panelists.]

MR. BUSH: Uh, Phil Saunders.

[Laughter.]

MR. BUSH: Oh, did you have a--I'm sorry.

MR. FURUKAWA: Well, my apology if I give you an impression that Japan is ready to absorb the scenario of North Korea adapting an explicit nuclear deterrence strategy. That is not the case. Japan's policy on this issue is crystal clear; that is, zero tolerance of North Korea's nuclear weapons capability. But having said that, realistically speaking, there is a serious consideration for Japan; that is, should we conduct a military strike against North Korea. It could very likely cause devastating damage on--somewhere in Seoul or South Korea.

Japan views that the--one of the major challenges for Japan today is how possibly Japan could sustain its relationship with South Korea's new generation over a long period of time. We don't want to lose South Korea for the sake of [change tape] --such military actions.

This essential limit, pragmatically speaking we are not in a position to give acquiescence to North Korea's nuclear [inaudible]. But the way to deal with it will most likely be limited to employing diplomatic or economic measures. Also, Japan will be eventually ready to support U.S. military action, but it will be a very last call to do so.

So I just wanted to redress the impression that I created in my presentation.

MR. BETTS: I was just going to say that I think also in a sense the United States would absorb it, too, with a lot of gnashing of teeth and hand-wringing and shouting. But what are we going to do? It seems to me that one effect of the test would be to underline much more dramatically the unacceptable risks, probably, of preventive military action, because instead of being a sort of hypothetical threat that you might deal with, with air strikes, say, it would really highlight the question of what confidence do we have that we could really destroy all the weapons or the facilities or things of that sort, and it would do even more to make that an implausible option.

So, you know, I suspect the United States would fulminate a lot, but in the end, what are we going to do? In a way, it would be a more dramatic example of what happened with India and Pakistan. We shouted a lot and shook our finger and whupped some sanctions on them

for a short time, but then, you know, we came back to reality, said life goes on, there are other interests in the world, and we forgot about it.

MR. BUSH: Also, I'd say that the premise of the discussion is not just the test itself but the behavior that might flow from that after, of an extortionate kind, perhaps. I suspect that the answer is probably the same, that China and South Korea would have an easier time accommodating to it than Japan and the United States would, but, you know, in the end, it might be the same. The danger, of course, is that we get sort of completely divided amongst ourselves on how to respond.

Phil Saunders, and then I'll come here and then to Alan and then to Gordon.

QUESTION: Phil Saunders, National Defense University.

Russ just raised an issue that the panelists partially responded to, which is the question of the willingness of the different parties to accept different kinds of risks. And I think that's a factor when you think about an agreement, because the question with the agreement is how good is it, how verifiable is it, but also in the process, if we're using carrots and sticks, it's how much coercion and how much of a sense of crisis are you willing to have eventually to get an agreement. Because in my view, you have to have an offer on the table that certainly China thinks North Korea would take, but, you know, you have to have some kind of a confrontation to get a diplomatic deal.

On the other side, I'm reminded--and I saw a Japanese security analyst in a meeting say, well, North Korea with nuclear weapons is intolerable. And then a U.S. government official said, yeah, but we think they've had nuclear weapons since 1999 and you've been tolerating it. So there's this element where we say it's intolerable and our policy is it's intolerable, but the question is, ultimately, what risks are you willing to run to do something about it.

And that's where I really worry, because it seems there's a divergence between the U.S. position, or at least the U.S. policy in the abstract, and what I see around the region, which is that, you know, China doesn't want a nuclear North Korea but they could live with a small one if Japan and South Korea don't go nuclear. South Korea doesn't want a nuclear North Korea, but they can look the other way and continue to deal with it economically and that's their strategy for managing this. Japan, as everyone has said, is a harder case, but, at least my discussions with Japanese officials suggest that so long as North Korea doesn't either test on the one hand, or deploy them operationally on Nodongs that can target Japan, they can also look the other way.

So, you know, given that, it's one thing to say it's intolerable. The question is what are you prepared to do about it? And I guess that's the question for the panelists, is do you think any of the other six parties are really prepared to do something about it or will we just kind of look the other way?

MR. BUSH: Answers.

MR. POLLACK: Phil, I think that the question a lot would be an effort, at least on the part of some, to delegitimate, if you could, the possession of nuclear weapons, to put other kinds of limitations on relations with the North, if possible. Here, China may be one of the critical test cases. And certainly, from some of my discussions in China, I've had the impression among some Chinese--not all, because I think there's a great deal of debate both among analysts, less certain about whether that's at a governmental level, a policymaking level--but it does seem to be the case that, for some Chinese, their willingness and their capability to, if you will, play this mediating role, carry some of North Korea's water where possible, and so forth, would sharply decline, plummet, or disappear outright if in fact North Korea were to test.

That's, if you will, the operative red line. I mean, when they say no nukes, they mean no nukes, at least in the sense of nuclear weapons that you can see. I mean, this, again, gets to questions of credibility here. How would it be that North Korea unambiguously, short of letting a nuclear weapons designer go into a room with a screwdriver and requisite measuring instruments, and to be able to interact at great detail and great length on the specifics, how would we know A) whether they have them, and B) whether one would work?

So the question here, it seems to me, is there ultimately--and "ultimately"--I'm recognizing that we're talking here right now in early 2004. Let's hypothesize a second Bush administration and we're having this same discussion in 2008. Is that imaginable? It could be. So the question then is have the imperatives changed to such an extent or, at that time, frankly, if North Korea keeps it relatively ambiguous, are they much more cemented economically to ties with China and ties to the ROK? That's not an implausible possibility.

But it does seem to me that the symbolic act of a test still would in some palpable sense matter. It would give enormous incentives for a heightening of the U.S.-Japan connection. Less clear to me how South Korea responds to that, and certainly less clear to me about how China or Russia respond to that.

MR. BUSH: Other comments?

MR. FURUKAWA: Yes. I think we have to, first of all, face the reality that we don't have any good option to deal with this matter. And as I have been repeatedly saying, under the current circumstances there is only diplomatic or economic measures that is applicable.

The case of Libya, many Japanese experts on the Middle East point out that originally the success of this case goes back to Qadaffi's personal experience of almost being assassinated by U.S. bombing. And he lost a daughter in 1989, I recall. This has been at least the baseline for his judgment. That's the assessment by the Japanese experts. In the context of North Korea, Kim Jong-il doesn't have any equivalent experience so far. And here I'm not suggesting that we should bomb Kim Jong-il, but we have to at least create a condition that he's risking the survival of the regime.

Unfortunately, so far we haven't seen any concrete menu, or a stick from South Korea or China. And this is really the issue. So far as we know, China just only stopped

provision of oil to North Korea for three days last year and just interdicted a transport of TBP, which is an essential chemical component for separating plutonium--just only once. So we need to think more seriously about how to create a stick menu in addition to a dialogue menu.

And one thing, going back to my original point, which is this is a point that Japan has been struggling. If Japan has to kind of threaten nuclear options, and till then if China or the South Korean government don't move, that is really problematic from the prospect of Japan.

MR. POLLACK: Dave, could I just add one other thing here? It is the question of whether or not under these circumstances the United States would be able to push China and Russia in the direction of a sanctions regime at the Security Council. A lot of it would really depend on what the circumstances were, how great the presumed offenses might be. That's clearly not a path that China today would wish to go on, but I could imagine some future circumstances--again, depending on North Korean behavior and the context in which something would happen--that the Chinese might show, I don't want to say "any eagerness" for this but, but they might be prepared to indicate a bit more flexibility on this.

That's necessarily speculative, but that's why we're here.

MR. KANG: I think the South Korean case is going to depend a lot on the context in which this happens. I think, on the whole, they would probably under-react, like I said. And you know, we go back to Jonathan's what the conditions are, I think that if there were conditions under which in South Korea there was a real feeling that the U.S. was pushing them into a corner, it would probably backfire on the United States, the South Korean reaction. And that's one of the things--sometimes it baffles people in America, like why are the South Koreans--you know, why don't they see?

And I think it's because we have--in many ways, it's hard to talk about North Korea without caricature, so it's either one or the other. And I think the South Korean--on the whole, you know, their perception right now is very much in the middle, that this is a problem that's been managed, we've seen progress change in North Korea. They are not as concerned about it; we all think they've got a couple nukes. And so they're feeling--their sense of crisis, as we were talking about, is lower than it was in the United States in 2002. So that's one reason you can get these polls where they think Bush is as dangerous as Kim Jong-il or something, right, because they're the ones--And rightly or wrongly--but I don't think it's a naive one, I think it's a perception of who's ratcheting up the--who's going to upset this apple cart.

So in that context of it's a completely unprovoked nuclear test or something, you may have a different response. If it's one where they really see the U.S. getting carried away, I think it will backfire on the U.S. It will be even harder to get regional cooperation.

MR. BUSH: Dick, do you have a comment?

MR. BETTS: Well, I just say that this, in a sense, is what deterrence is all about, is making your adversary tolerate what it considers intolerable. And this can work both ways, too,

in the sense of carrots and sticks, and arguably one might say you would offer a carrot-heavy policy in response to very ambitious standards for North Korean disarmament and, short of that, a very rigid containment policy which the North Koreans would have disincentives to want to be bound to.

QUESTION: I'm a visiting fellow from Georgetown University.

If North Korea declared that it has become a nuclear state, I think that is very difficult for Japan to make response or decision. Just now, the professor mentioned that Japan's response would partly depend on the China approach. My question is what about the American policy? What about the American attitude if Japan made the decision to develop its nuclear program? The United States will encourage Japan to become a nuclear state, or stop its nuclear program?

MR. BUSH: Katsu? How would the United States--if it seemed like Japan was going nuclear, what would the United States do? Would it stop it, or—

MR. FURUKAWA: Yeah, I think I made it clear in my presentation that Japan's not going nuclear.

[Laughter.]

MR. FURUKAWA: Just this comment. There is no conditions, as far as I have seen, for the United States to approve Japan to go to a nuclear weapons state.

MR. BUSH: Jim Przystup has a two-fingered comment.

QUESTION: Jim Przystup, National Defense University. What is the context of the United States accepting a nuclear North Korea? How would that play in Japanese [inaudible]? [Off microphone, inaudible.]

MR. FURUKAWA: I think Japan's government officials have been very much uncomfortable with the agreed framework, which very clearly stated that the United States will not use nuclear strike against North Korea. If this kind of a scenario may repeat, there will be some kind of indication from Japan's side that it could erode Japan's confidence in U.S. extended deterrence. But I'm not sure whether it will lead Japan to the level at which they feel almost lost, they lost confidence in U.S. extended deterrence. That's not going to be the case, I think.

MR. BUSH: Alan Romberg.

QUESTION: Alan Romberg, Stimson Center.

First, one quick comment on Katsu's last statement. In the 1994 agreed framework, the statement about negative security assurances and not using nuclear weapons was premised on North Korea not being a nuclear power. I think that doesn't apply in the circumstance we're

discussing here. Nor was it ever actually given, because we never got the full assurance North Korea wasn't a nuclear power.

I want to go back, though, to the question that Rusty Deming raised about what if they test and the U.S. reaction to this. I agree with Dick Betts that all of the negatives would become clear, but I guess I'm not as confident as you are that there wouldn't be a very strong argument within the U.S. government and elsewhere in American political society that we could get away with a so-called, I don't want to say "surgical strike," but a strike against North Korea's nuclear facilities. I'm not sure how the debate would turn out. And I could see a lot of reasons not to go that way, but I just think that that option is a lot more alive than your comment might have suggested.

Second, I think that not only would the U.S. immediately seek to go to the U.N. and probably get at least acquiescence from China and the others, but it would do at least two other things. I think, one, it would ramp up the proliferation security initiative, which includes the possibility of high seas interdiction, and would probably be used in a much more assertive way than simply if we thought there were nuclear weapons. It would go against missiles and maybe other things to try and squeeze North Korea--which could, of course, lead to war, depending on the North Korean reaction.

And finally, I think that there would be--and there may be other options as well--a tendency--and I know that some people think in this direction--of creating problems for stability in North Korea, such as inducing refugee flows and in other ways creating destabilization. Now, this would also encounter a lot of reaction and resistance from China and others, but I think that if the North went ahead with a test--obviously, if they were shipping nuclear materials, we're into a whole other ballgame. But I think, even with a nuclear test, that these issues at least come up on the table again, and I'd be interested if there's any further reaction from the panel on that.

MR. POLLACK: I would certainly agree with Alan that it would to some extent reconfigure the debate. Whether at the end of the day our options, other than political ones--that is to say, through the U.N. and so forth--would look significantly different, I'm not sure. I mean, let us remember it's not just a question of the impracticability of a lot of war plans with reference to the North. It's also with reference to the impact on our allies.

I'll paint you a scenario. Let's posit that North Korea, when it does test, lets it be known that, guess what, it's, you know, kind of like the old Jay Leno Doritos thing, you know, don't worry, we'll make more. We've got more. What degree of risk is the United States prepared to undertake in a unilateral way that, under those circumstances, there would not be the prospect of significant action, retaliation taken not against the United States, as Dick pointed out--you don't need to get here to do things that really matter--but against South Korea and especially against Japan. That's one of the things that ought to give us real pause.

I mean, it may well be that there are options where you think you can go take out what you think you know where it is. Part of the problem with so-called surgical strikes is, in order to take out various means of retaliation in the North, you have to hit a whole lot of other

targets at the same time. Even if you're saying, well, we're just going after Yongbyon and where we think some storage sites are, but at the same time you're taking out all the other things. Now, if you're sitting in Pyongyang, do you accept reassurance from the United States that, well, this is just a limited--this is a denuclearization strategy, no other implications entailed? Because it would seem to me almost unimaginable in this context, if we made a decision to go to war against the North that we would do it in a half-hearted way. It just doesn't—

But at the same time, the downsides of this would be absolutely profound. And what if at the end of the day, even assuming that we were able to in some nominal sense succeed, that North Korea survives as a state? I just leave that out for consideration.

MR. BUSH: Any comment?

MR. KANG: Yeah, I think there would be a tremendous debate and it would be dangerous. Because there are some people I know in this town who would be very eloquent and reckless about trying to do something irrespective of whatever sort of theoretical game-theory-like arguments against it would be. But I still think that, at the end of the day, when you look at the questions that would be on the table, it would look just too incredibly daunting, especially—

You know, if you're so worried about North Korea, you think they're so wild and crazy that you can't live in a mutual deterrent relationship with them, what do you think they're going to do if you attack them? So I just think the final verdict would probably be that, as intolerable as it is, we have to tolerate it. But, you know, I wouldn't bet my life on it.

QUESTION: Gordon Flake. It seems to me that the one country that's missing from this panel is North Korea. So we've asked the question what would Japan, South Korea, and China or the U.S. do if North Korea tested. The question is what would North Korea do if North Korea went nuclear. And it seems to me here is the distinction between the question of tolerating and accepting. You know, you can really make a strong case that we are tolerating a nuclear North Korea right now. But that doesn't necessarily mean that we're accepting them, that we're giving the requisite levels of economic aid. It's just that we're addressing the fundamental underlying, you know, situation with North Korea that's really the root of this crisis.

And so I kind of posit that to the group here. What does it mean for North Korea?

MR. POLLACK: No, I would agree with you, Gordon, it does seem to me very, very much there is a distinction that can be drawn between these two. The question would be whether or not North Korea in splendid isolation or large-scale isolation could in fact survive. And, you know, that's a question that gets bandied about a lot. The assumption is if you constrict the flow of resources and the like, you could really make life very, very difficult. But you know, again, this is a system that has endured unspeakable privation over time and has somehow endured. It doesn't mean that that can be open-ended, but it does highlight that--you know, this is where we need to be precise in what we say in terms of what the likely consequences would be of one or another course of action.

MR. BUSH: I think also that, you know, what we would be able to do effectively is connected with what our friends and allies are going to let us do.

MR. POLLACK: Indeed. Absolutely.

MR. BUSH: And, you know, we have to sort of get some convergence there.

MR. POLLACK: Absolutely.

MR. BUSH: Any other comments?

MR. KANG: I'll say something. I think, you know, to some extent, Gordon's point goes back to what we were talking about a little earlier, which is, I think, the South Koreans know that, you know, there was a little bit of cheating going on, a lot of money being diverted. And there was a lot of controversy over the $500 million that was given. But -- this is better than the other alternatives, which are, you know, maybe pushing them into a corner.

And this also goes back to this question of the CVID. I mean, we're never going to have CVID there. We ought to just admit that there's no way, with all the mountains and the hills and the caves and everything else, that we're ever--if we weren't convinced in Iraq, there is no way the Americans are going to be convinced that we could ever get CVID in North Korea. I can't imagine.

MR. BUSH: Don?

MR. DONALD OBERDORFER, SAIS: Well, Alan Romberg has said most of what I was prepared to say, in the sense that I don't think that it's between doing nothing and going to war. I think what the administration--whether it's Bush, and probably Kerry as well, because the Democrats have not been so easy on North Korea in their views--would do is try to ramp up very, very strongly pressures against North Korea. And I just want to point out that people say, well, you know, we've ignored two nuclear weapons now, we could ignore eight or whatever. But this is under special circumstances. It's not because of 9/11; it's because of 11/2--that is to say, November 2nd--that there has been this ability to push the thing off. And I think everybody anticipates--certainly I do--that after January 20th of next year, if not before, suddenly people are going to come to this as much more of a crisis problem than they're willing to do now because of the presidential election year that we're in.

And all the things that have been said about how would be seen differently from the Japanese and South Koreans and the Chinese are true, but I think there probably would be a great deal of pressure in the United States political and administrative groups to move to do something serious.

MR. BUSH: Comment?

MR. POLLACK: I think that's true, but I think experience in Iraq has probably had a big dampening effect on some of those prospective pressures. When you look at what the challenge seems to be, what the options seem to be, what American leverage seems to be, and the huge mess that most people believe we've gotten into, they're going to worry about the same biting off more than you can chew in North Korea. So I don't say that's going to prevent what you're talking about, and the inhibitions would be somewhat lower after the election, but I think even with Douglas Feith as the person whispering in Bush's ear, it's still a long shot.

QUESTION: Michael Marshall, United Press International.

David Kang made a reference earlier to South Korean perceptions of who is more likely to upset the applecart, Kim Jong-il or Bush. I wonder what your thoughts are on what impact continuing deterioration of the North Korean economy is likely to have on the applecart. I mean, one very plausible scenario is that the response to it becoming increasingly public and obvious that North Korea is a nuclear power would be increased economic sanctions, which would put more pressure on their economy. And so in a sense their nuclear policy would be counterproductive.

I wonder if you have any insights into how the North Korean leadership sees the balance and the tradeoff between what they're doing in the nuclear realm and the state of their economy and what they'd like to do with that.

MR. KANG: Rich nation, strong army. I mean, this goes back to what Gordon was talking about, right? I think, again, we put these sometimes in too stark terms, between no reform at all and then he's become the next Deng Xiaoping. I don't think anybody thinks that Kim Jong-il has changed his stripes, but some of the actions that they've taken have been fairly significant, particularly control over the means of production, you know, abandoning the centrally planned economy so that supply and demand determine prices. These are major shifts. And it will be very hard to put the toothpaste back in the tube on these kinds of actions.

And I don't think anyone thinks that they've done this because of some deep desire to become capitalists, but simply because they're in real trouble. And so over the last decade or so, they've gone down a path where it's one thing if you're building--you know, Najin Sonbong is way up north where nobody wants to go in the first place, and you've put enough barbed wire around it so that it can't infect the rest of North Korea. Then it's different than affecting what's going on in Pyongyang and just letting markets sort of--not necessarily flourish or not, but getting back to what the thinking is, is probably okay. We've got to forge some kind of economic survival, national survival. Rich nation trying to do some kind of economic reform is good for our security.

And I don't think that this--there are a couple of other things that I'll say. One is that everybody thinks that the military is the most influential interest group in North Korea right now, after Kim Jong-il and his little cronies. Right? In which case, the fact that they have moved down these steps either indicates that either the military's in favor of it, or at least they're not opposed to it--if they really are; I mean, if we really think that the military's the most important

group in North Korea. Which means that there's more unanimity in some ways, more at least grudging unanimity for both of these actions than we might think initially. Oh, the military, they'll always be implacably opposed to any kind of economic reform. And I think everybody knows they're going down a path that is very, very risky. Absolutely. You know. Like, it's very hard to pull--you know, how many other analogies, you know, pull the lid off the boiling pot or whatever else, right?

So if I can stop being analytical and make an editorial comment, then: In which case, if we really want to have regime change in North Korea, is it better to, like, put sanctions on them and try and keep any of this economic reform from happening, by not doing it, or trying to encourage it as much as possible? Not necessarily economic aid, but just, you know, let capitalism flourish. I mean, I just ask. If that's really so dangerous for them to do, why shouldn't we encourage it? But that's editorial-style stuff.

MR. BUSH: Right here.

QUESTION: Thank you very much. I think this kind of six-party talk could be a stalemate. So I'm thinking that China could play a key role in this North Korean nuclear issue. Someone asked the question that another option for Japan, nuclear weapon development could be another option. But in my viewpoint, my question is to any panelist that if China could play a key role, I think China might not step back. They might, you know, maintain the status quo unless they get some gain. I'm thinking of that China, thinking of that one-China policy, that even Taiwan thinking of the other independent. That could be another international, the argument that could issue.

So if North Korea--status quo, if North Korea [inaudible] might not work unless they guarantee their survival, their regime survival. So China, if China could play a key role, China should gain something, like--I don't know, I don't suggest that they make a deal that North Korea dismantle nuclear weapons and the one-China policy then might be without military attack or military option. It could be the diplomatic solution. But what do you think about that kind of idea--any panelist. Thank you.

MR. BUSH: The Bush administration says there will be no linkage, that China should be playing a key role for its own security interest, not in order to gain a favor. And I think that's probably the case.

Sheena Chestnut, for the last question.

QUESTION: Thanks. I keep hearing from a lot of the panelists that basically nobody wants to live with a nuclear North Korea but that it might be something that we end up tolerating, and maybe already are. Outside of the transfer questions, which seem to be primarily a U.S. interest, my question is if you get some sort of stability-instability paradox in the region. There have been a couple of people who have suggested that North Korea, especially if there are isolation measures put in place instead as a consequence of proliferation, might undertake low-

level provocation in order to get back to the bargaining table on some of these other economic or political issues.

So I'm just curious how this panel would assess that possibility. Is it important if North Korea adopts that kind of low-level provocation strategy, and what effect would that have on the regional dynamics that we've been talking about?

MR. POLLACK: I suspect that your use of the term "low-level" is precisely that. I mean, there's certainly a track record of North Korea staging particular incidents. But they don't seem to get a lot of traction out of these. If anything, there tends to be a very negative reaction from elements in the ROK. It's one of these cases where it does provoke many in South Korea.

So again, the dilemma for North Korea, given that it has no oil, is that what is it, other than the fact that it has an enormous capacity to inflict harm on its neighbors and be a source of mischief of other sorts, that it has as a means of inducing some kind of altered attitude on the part of surrounding powers? And I think, frankly, that's where, at the end of the day, with China and with South Korea, despite a very problematic history that both have had with the North, there is some kind of enduring belief that there can be a transition in the North short of outright collapse and that their incentives are powerfully figured to that end.

The question, then, becomes does North Korea see having possession of these extreme coercive capabilities as part and parcel of that process, that you really can't--it's not an either-or case, but it's a degree of having both.

You know, at the end of the day also, you know, the question of--and I think, frankly, one of the things that ought to be part of the negotiation is that, you know, North Korea does not accept the legitimacy of the Republic of Korea as a state. I mean, it's always small s, capital K. That should not be acceptable. But then, that's the whole history of this tortured question.

You know, we talk here about we're finishing up year 2 of the renewed nuclear crisis. Well, we're in a second or third decade of the nuclear crisis, depending on how you count it, or maybe you need to walk back and say we've been in a crisis with North Korea since 1948. I mean, they're the longest-running adversary the United States has, bar none. And if we find that something that we don't like--and I don't think we like it, but don't really see a practicable way out of it--let's accept the consequences that flow from that. But I think that this is the fundamental driving aspect of so much of this. I don't have any magic answers for how we get there, but this is something that really does endure, depending on how you count.

MR. BUSH: Any other comment?

MR. BETTS: I think Jonathan's right, in general, and they haven't gotten that much out of previous provocations, arguably. And also, we've gotten a bit used to them having moderated their behavior in recent years. But there was a stretch of about 20 years where the

string of provocations was quite extraordinary. I can think of no other country in the world that did as many things as often that seemed beyond the bounds of regular strategic behavior.

And I don't know how much to make of it, but also I think it's potentially not irrelevant that they never paid a serious price for it. The Blue House raid, the Pueblo seizure, the hacking the American officers to death in the tree-cutting incident, the blowing up the airliner, the killing half the South Korean cabinet in Rangoon--all of this, nothing ever really happened to them in the way of serious retaliation or punishment.

So I just wonder whether--your suggestion is an interesting one--whether, maybe by default or for lack of alternatives, they might say let's try this stuff again. And I don't know how to estimate, you know, whether there would be a predictable difference in American reaction. In one way we should be less inhibited than we were, say, at the time of the Pueblo crisis because of the Vietnam War and all that stuff, but by the same token, the nuclear deterrent works in the other direction. So that could be a dangerous scenario, again, with plenty of opportunities for miscalculation.

MR. BUSH: Dave, a quick comment?

MR. KANG: Yeah, just a little bit on that. I mean, this is where we all focus on the mindset of North Koreans and often tend to miss the situation. Because there's one huge difference there, which is they were trying to blow up or kill widely despised authoritarian leaders. And it didn't do them much good, but you could realistically see--I mean, we tend to forget how much Park Chung Hee was disliked, you know. I think it would have a very different effect--and I don't think it's a surprise that they don't try it now on a democratically elected government. I mean, it would have a very negative effect now. If they did something like that now, then I think the South Korean attitude would change very much, which is one reason I don't think they try it.

MR. BUSH: Okay. Unfortunately, we have to vacate this room now. But I want to thank each of the panelists for engaging in this thought experience. I'd like to thank all of you for contributing to our thinking about the unthinkable. We may not have gotten any answers, but I think we know what the questions are. And I guarantee you this is not the last time we'll ask them.

So thank you again.

[Applause.]

[End of event.]