A Brookings Briefing

CHALLENGE FOR THE BUSH ADMINISTRATION: DEALING WITH A NUCLEAR NORTH KOREA

Falk Auditorium
The Brookings Institution
January 14, 2003

Moderator:

JAMES B. STEINBERG
Vice President and Director, Foreign Policy Studies, Brookings

Panelists:

RICHARD C. BUSH III
Senior Fellow, Foreign Policy Studies, and Director, Center for Northeast Asian Policy Studies, Brookings

JAE HO CHUNG
Visiting Fellow (South Korea), Center for Northeast Asian Policy Studies, Brookings

IVO H. DAALDER
Senior Fellow, Foreign Policy Studies, and the Sydney Stein Jr. Chair, Brookings

MICHAEL E. O'HANLON
Senior Fellow, Foreign Policy Studies, and The Sydney Stein, Jr. Chair, Brookings

DON OBERDORFER
Journalist-in-Residence, The Paul H. Nitze School of Advanced International Studies, Johns Hopkins University; Author, *The Two Koreas* (1997)

THIS IS AN UNCORRECTED TRANSCRIPT

MR. JAMES STEINBERG: Good morning and welcome to Brookings. There's a nice crowd here. There are a few more seats up front if people are looking for a place to sit.

This morning we're going to talk about the crisis that is no crisis -- North Korea. We have with us an extraordinarily distinguished panel to talk about the various aspects of the situation that we're now facing.

To my immediate left, one of the most distinguished journalists in Washington, one of the most knowledgeable observers about North Korea, Don Oberdorfer who it's been our pleasure to have many times. Welcome back.

Mike O'Hanlon our Senior Fellow, a specialist in military affairs.

To my right Ivo Daalder, also a Senior Fellow and expert on just about everything having to do with America's foreign policy.

Richard Bush, the Director of our Center for Northeast Asia Policy Studies and a regional specialist, especially China.

Finally, we're very pleased to have Jae Ho Chung here who is a CNF fellow here in our Center for Northeast Asia Policy Studies. Dr. Chung is an Associate Professor in Seoul's National University's Department of International Relations. He has a very distinguished career as a journalist and an author, so we're pleased to have you all here.

Before I begin I just want to announce that this is the first of two events here at Brookings to talk about the North Korea situation. On January 24th former Secretary of Defense Dr. William Perry will be here at 1:00 o'clock to present his perspective on the situation.

So I want to begin by asking Don Oberdorfer to tell us what the North Koreans are up to. What are they thinking? What are their objectives? What's their game plan?

MR. DON OBERDORFER: I have no idea what they're thinking and I'm not sure who does, but I can give you an idea of where we are in this situation with respect to North Korea.

I'm something of a historian of North, South and U.S. and North Korean affairs, and as all of you know, this thing has a bit of a history to it which makes it I think confusing to the public. Very confusing.

We had a crisis in some sense similar to this in 1993 and 1994 ending with the Agreed Framework, an agreement between the United States and North Korea under which they froze the

large plant they had at Yongbyon north of the capital city which was basically manufacturing plutonium, although it hadn't manufactured very much until that point. That remained frozen since then, for the past nine years since 1994.

Then this October Assistant Secretary of State Jim Kelly led a delegation to Pyongyang, the first delegation from the Bush Administration, and he accused North Korea of operating a secret uranium enrichment plant that was at least in technical violation of the 1994 agreement and certainly was in violation of the No-Proliferation Treaty which the North had signed, and other accords with South Korea.

They didn't deny it. They're saying now that they didn't explicitly admit it, and I think that's probably true. I was there a month later in early November and [Con Sup Chu] who is the person who principally talked, most importantly talked with Jim Kelly, I asked [Con Sup Chu], what did you tell Secretary Kelly? He said I told him exactly what is in our October 25th press statement which is we told the Special Representative of the United States that we are entitled to have a nuclear program and more because of the hostile policy of the United States.

We had Ambassador Greg, former Ambassador Greg and I had over nine hours of conversations with a variety of diplomats in North Korea. At that time my impression was they were willing to get rid of the uranium enrichment program now that it had been discovered, and they wanted in return not money, not resources of any kind, but what they were asking for was a non-aggression agreement, assurances of their security. I think they would have settled basically for a face-saving solution were they able to get one.

However, the United States government decided not to do that. Instead, the Bush Administration began to organize pressures against North Korea by their neighbors, and as you all know in the middle of November cut off, led the way to cutting off the fuel oil that was agreed to under the 1994 agreement.

North Korea then moved toward reopening the closed facility of plutonium, the plutonium manufacturing plant, under the guise of an energy plant in [Pyongpyong].

What are they asking? As I said at the beginning, none of us can be sure. We can't read the minds of North Korean officials. But my own belief is that when they failed to get a face-saving solution to the uranium enrichment plant in October and early November, that those in authority in the military in North Korea persuaded their leadership that the only way they could secure their security in light of the hostility of the United States and what was going on across the world in Iraq was to go for nuclear weapons.

I think that's what they're doing now. I think they're going straight for a nuclear option. I don't expect them to stop. I think it's possible that the international community led by the United States and perhaps others could persuade them to change course, but I think it's much more difficult than it was

earlier this fall and I would say the odds are somewhat against it.

MR. STEINBERG: Obviously it's speculation, but on the long side of the odds what do you think at this point it might take to make them change their minds?

MR. OBERDORFER: It would take a serious endeavor, a serious discussion and negotiation with the United States and perhaps some of its other neighbors. It would be great if the neighbors in Northeastern Asia would organize themselves to do something, but they've never done it before.

Jimmy Carter had an OpEd piece in today's Post which, he's not a modest man, but he was modest that he did not make the point that I think you could draw from it, that I draw from it. The reason that Kim Il Sung agreed to stand down in 1994 was not only pressure, which was arrayed against him in a very important way, but that a person of high prestige and credibility in North Korea, namely Jimmy Carter, came up there and even though he wasn't an official representative he was taken as somebody in who's word North Korea could impose trust. So I think with all respect to Jim Kelly who is an old friend and a fine person, it's going to take somebody of a fairly senior status to personally deal with North Korea to convince them to reverse course. And as I said, I'm not very optimistic that's going to happen.

MR. STEINBERG: I won't ask you whether Governor Richardson fits that bill.

Ivo, it looks like if Don is right that's a pretty challenging problem for the Administration. How have they been playing it? How should they play it?

MR. IVO H. DAALDER: Don said he didn't know what the North Koreans were thinking about this. I think it's very difficult to know what the Administration is thinking about this and we have an open society so we don't really have an excuse.

From the very beginning of this Administration there has been a split right down the middle about how to deal with North Korea. On one side the Secretary of State Colin Powell, who declared when Kim Dae Jung was on his way to be the first, to visit the President in March of 2001, that he and the United States were going to take off, we're going to take off exactly where the previous President had left off. That is in an engagement strategy dealing now with the missile question which was on the agenda back in late 2000 and move forward. He was slammed down, Mr. Powell was, by the President in a quite public way. Powell would later say that he was leaning a little forward on his skis. I would say he was off his skis in many ways. He was somewhere where the rest of the Administration and the President weren't.

The rest of the Administration clearly believed that you don't really engage, talk to a regime like the North Korean regime. That if you isolate it, at some point sooner rather than later it will fall of its own accord and that is just fine with the Administration.

So you had from the beginning this major split between those who wanted to engage and those who wanted to isolate. And over the first 18 months of the Administration there was this battle about which one of the two were going to win.

It looked like in the summer that Mr. Powell actually was going to win that battle. They had put together a package of carrots in order to bring to the North Koreans in return for a number of very specific steps having to deal with the speed up of the verification of the Framework Agreement, more on missiles, something on conventional forces, but an engagement. There was a package being talked about that Mr. Kelly was going to bring to talks with the North Koreans.

We then found in the summer evidence, conclusive evidence according to the intelligence community of the uranium enrichment program, and rather than having a meeting about what it is we are willing to give you if you do the things we would like you to do, this was a meeting that basically said we've got a problem. A very big problem, which is you are engaged in a direct violation of every single agreement that you have signed with regard to nuclear weapons. The NPT, the North-South Denuclearization Agreement, and at least the spirit if not the letter of the Agreed Framework, and we're not going to engage with you until this is rectified, until we're back to where we were.

In many ways the discovery of the uranium enrichment program seemed to confirm the worst fears of the hawks in the Administration, that the North Koreans couldn't be trusted, that if you dealt with them then it only showed weakness and they would circumvent whatever agreement that you had and negotiated with. And basically the only strategy you had was to isolate them. And by October, that becomes the dominant trend in this Administration. Isolation is the way you deal with the North Korean problem.

There was a second issue for the Administration which is we were about to finish our negotiations with the Congress and with the UN Security Council on Iraq, and we didn't want to be distracted, frankly, from the fact that we were just mounting the pressure to get a disarmament regime either through the UN or through force in place in Iraq, and having a new crisis on the horizon was not what we were looking for. So we just decided not to declare it a crisis in the hope that it would therefore go away.

The problem is, of course, that it didn't go away. The North Koreans quite tactfully and masterfully escalated, as one would have expected, drawing the United States into a crisis, and basically showing that the policy of the Administration was pursuing had serious problems, two of which have now been exposed.

One is if you want to isolate the regime you need the support of the regional partners. And none of the regional partners, particularly the important ones, the South Koreans which we'll hear in a moment and the Chinese, were willing to engage in such an isolation strategy. So we had major problems with our South Korean friends in particular, but also with the Chinese and the Russians, and to

some extent even the Japanese. So we were alone in a strategy that depended fundamentally on others supporting it.

Secondly, as Secretary Powell made very clear, an isolation strategy basically said it's okay for the North Koreans to reprocess plutonium and to get on with their nuclear weapon program. And as Secretary Powell said in late December when he appeared on all five morning talk shows to declare that there was no crisis, he underscored -- The fact that the Secretary of State comes on five programs to declare there is no crisis means you really do have a crisis. [Laughter] But he underscored that by making very clear that it was okay to have a couple more nuclear weapons. What's another couple or few nuclear weapons for a country that's starving, that doesn't have a functioning economy, that can't even feed it's people. The answer is, you can sell it. But quite apart from -- That was the basic structure. We are now okay with allowing a nuclear North Korea to emerge. In a way the red line was drawn by the Clinton Administration very early on when the crisis first erupted in the early 1990s. That is no reprocessing, no more nuclear weapons, and at some point we actually have to get back to the plutonium that was reprocessed back in the late 1980s. That line has now been erased for all practical purposes.

The problem with that, as the critics finally coming out of the woodwork says, it does matter whether you have one, two, five or six nuclear weapons. Because if you have five or six nuclear weapons you can actually use one or two and still have enough to use them again. Or you might be able to sell them or at least sell the fissile material. This is a country that sells everything it produces, particularly if it's bad stuff for bad people. Therefore, the notion that somehow it is okay to have more nuclear weapons, the notion that it's okay for a country to collapse when it has a nuclear arsenal -- we lived through that in the late 1980s, early '90s, was not a very attractive notion.

So the Administration in the last week or ten days has slowly but surely come around to saying okay maybe we should talk but not negotiate. I'm not sure what the difference is. Maybe we should tell them what it is they can have if they come around later, but of course not negotiate, as Mr. Kelly did yesterday. We'll do energy, but only after you come around. So we negotiate without negotiating. We allow the Clinton Administration to do the negotiation because we don't want our hands dirty on this kind of deal so we encourage Mr. Richardson, a former UN Ambassador and Secretary of Energy, to negotiate, to talk to the North Koreans, but we won't do it.

The problem with this, I think as Don has emphasized, is this is way too little and it's way too late. The later it gets the more you in fact will have to put on the table in order to get a deal. The Administration that has excluded carrots and excluded sticks, an Administration that continuously emphasizes that the won't be a preemptive strike, that there won't be an invasion, that the North Koreans don't have to worry about military force -- but of course we won't sign a non-aggression pact -- is also emphasizing that there are no carrots. Under that circumstance there is no deal. There is nothing to be had for the North Koreans and it's very very difficult to see how you get from A to B other than to say we're okay living with a North Korea and let's figure out what we do with this country, a nuclear country by that time, once Iraq is over.

MR. STEINBERG: We've seen the beginning of some stirrings from Congress in terms of responsiveness. On the one hand you had Senator Lugar, the soon to be Chairman of the Foreign Relations Committee suggesting that the Administration should be talking to them. You also have legislation that I gather is going to be introduced today or soon by other members of Congress, Democrats and Republicans, saying we should go for sanctions and a tougher line.

How do you see this playing out in terms of the political debate?

MR. DAALDER: The political debate has been kind of interesting. Imagine for a moment that the occupant of the White House was not George W. Bush, slayer of dragons and the axis of evil, but Bill Clinton, appeaser par excellence, who had said that it's okay to have a nuclear North Korea. Imagine that the man who was sitting in front of Tim Russert and four of his other colleagues had not been Colin Powell, four star general, but Mr. Christopher, diplomat par excellence. What would have been the reaction of the hawks out there? The Charles Krauthammers, the John McCains, the Brent Scowcrofts, the Richard Haass' of the world? All of whom in the 1993-'94 crisis were out there saying this is a bunch of appeasement, we ought to go and bomb the bejesus out of the North Koreans and it's only weak-kneed Democrats who don't bomb.

Well guess what? It turns out that even strong-willed Republicans don't like bombing very much when it comes to North Korea and that the only thing that has changed in the politics of this is the occupant of the White House, not the reality on the ground. Because if anything, as Mike will talk about, the military balance is more in the U.S. favor than it used to be back in the early 1990s.

So the politics is you're starting to get a little bit of the politics. The right, Mr. McCain, the Weekly Standard is belatedly but nevertheless finally coming out to say listen, the kind of stick approach that we should have had in the 1993-1994 crisis we now must have again. Mr. Scowcroft has said that, in fact the OpEd he wrote in 1994 arguing for preemption is still valid, is as important as it is today. And the Democrats are actually on the spot. They now basically have to come clean.

On the one hand they have had a good ride saying is the fact that you haven't been willing to engage, the fact that you haven't been willing to talk to the North Koreans that has created this crisis. But now the question is what do you do now? Now that we are here are you in fact willing to wield more sticks as well as more carrots if that is the only way to get the negotiation started.

Dennis Ross in I think a quite perceptive OpEd piece in the Post just late last week argued the only way you're going to get negotiations starting one way or another is in fact to wield the serious stick of military force.

MR. STEINBERG: Mike, is there a real military option? What would it be? How effective?

MR. MICHAEL O'HANLON: Thanks, Jim. It's a tough question.

I agree with virtually every word of Ivo's analysis but I also want to underscore that the military options don't look very good, and he would probably not disagree with me they're only a last resort. But there's only one I can think of that's even a last resort. Let me go through three options and at least get them on the table.

I think you have an option of what I might call tactical preemption, essentially bombing the Yongbyon facility.

A second option would be strategic preemption, deciding to essentially overthrow the North Korean regime in a war that we would initiate ourselves with of course our South Korean allies.

The third option would essentially be defense of South Korea, an effort that would be taken and carried out primarily by the South Koreans but with important American assistance that would grow over time.

Of these three, the only one that I think we can begin to contemplate even as a last resort is the first -- the tactical preemption, the surgical strike. There are even problems with this, however, starting with diplomacy in that South Korea has no interest in this option right now. We certainly cannot do this sort of thing without South Korea's acquiescence because the most natural North Korean response to this sort of an attack would be a proportionate or disproportionate attack against Seoul with artillery and with rocketry. So we would be asking our South Korean allies to bear the brunt and the risk of an American preemptive attack that would have a real danger of inciting this sort of response.

It still is an option we have to consider, however. It's the only one that I think holds up to analysis as, again, even a last resort.

The other downside is how much radioactivity would you release with this sort of a strike. Here I've been trying to understand the problem as well as I can in recent times and I don't feel that I've fully worked it out. Ash Carter and Bill Perry wrote an Outlook OpEd this past fall in which they argue there would be a good chance of minimizing the release of radioactivity even if you bombed the reprocessing facility and the fuel rods. That may or may not be the case. I think there's some uncertainty about that conclusion. Maybe Bill Perry will talk more about it in a couple of weeks but you certainly could at a minimum threaten to bomb the larger nuclear reactors that remain essentially unfinished, the ones we talked about in 1994 that the Agreed Framework focused on. You could certainly preempt those, [Ocirak] style, the way the Israelis attacked the Iraqi reactor 20-some years ago. That sort of option at a minimum is on the table, but again you have to ask what would be the North Korean response.

So option one, tactical preemption may have a role here and it may be the sort of thing we have to at least remind the North Koreans we would be willing to contemplate if this crisis continues and they start to develop a larger arsenal, but it has some real downsides.

Option two, what I called strategic preemption has even more downsides. Here the issue is not really can we fight two wars at once, or as the case would be, could we fight three wars at once -- against al Qaeda, Iraq, and North Korea. The real issue is what would be the damage of doing so? A war in Korea, as Don Oberdorfer has written about and others have analyzed and our Army Fellow here this year has spent a lot of time thinking about as well, here you could have literally hundreds of thousands of casualties on the Korean Peninsula, largely because of the proximity of North Korean forces to Seoul and its environs and the sheer amount of artillery and rocketry the North Koreans have, not to mention chemical and biological agents.

So strategic preemption. We would build up a force, obviously first have to talk North Korea [sic] into waging this war. We'd then have to build up a force of probably several hundred thousand American forces before we initiated hostilities. Then you wait for a period of good weather so laser-guided bombs have their maximum impact, and you initiate a conflict trying to take out the North Korean long-range artillery and rocketry in your early phases of the attack to limit their ability to hit civilian population centers. And you basically initiate an all-out war. You may also at the same time do an amphibious movement up the Korean Peninsula, you may use the 101st Air Assault Division to try to circumvent the DMZ and major North Korean defenses, most of which are located in the south of the country. So you may try to essentially out-maneuver them, sort of an Inchon-2 sort of thing or a big wheel sort of thing that we did in Desert Storm, but this time using the sea and air because there's no way to drive through the DMZ and avoid North Korean defenses.

This sort of an option, we could do it, we would win, but we would probably lose several thousand Americans, probably lose tens of thousands of South Korean soldiers, and probably lose hundreds of thousands if civilians on the peninsula as a result of such a war. It's really not a plausible option in my judgment at this time or any time I can see in the future.

The third possible scenario, defense. Here I think Secretary Rumsfeld is completely correct in the way in which he talked about this. He used some elliptical Pentagonese to describe our ability to fight two wars at once, but in many ways what he was saying is we can certainly hold the line in South Korea, especially because South Korean military forces are quite good. The American role here would be one of support.

If North Korea was to attack out of the blue or if that was a real worry. Or if North Korea was to attack in response to an American surgical strike against the Yongbyon facility, South Korean armed forces backed up by American airpower, the 27,000 U.S. Army forces already in place, and then the reinforcements that would flow quickly, that force I believe can hold off a North Korean attack and ultimately prepare the way for a counteroffensive that would lead to the overthrow of the North Korean regime.

The problem is if you let the North Koreans dictate the pace of this battle you're leaving Seoul subject to attack for an even longer period of time. You don't pick the weather, you don't take the opportunity to strike, and you cannot quickly defeat the North Korean forces that would be able to

continually rain down tens of thousands if not hundreds of thousands of artillery shells on Seoul, leaving aside all the other things they can do on the peninsula.

So the third option, defense. In one sense it's robust. I think we can certainly fend off any North Korean invasion. On the other hand the cost would be even more horrific than option two, strategic preemption, I think, because we'd be allowing the North Koreans to dictate the pace of battle and it would be a longer period of time before we could silence their artillery and rocketry.

So these three options really don't look very good, but I think option one does have to be kept on the table. In the end I think Ivo is right, that there is no alternative but to remind North Korea perhaps more subtly that there is this option we still have.

My overall concern, however, is we've been too tough and too unwilling to talk with the North Koreans so I think this kind of a threat and this kind of language about the viability of a tactical preemptive attack has to be conveyed very subtly and the greater emphasis should be on a new negotiating strategy and a broader roadmap for how we're going to deal with the North Koreans.

I'll just finish with one final word that I go into in more detail in my paper that's outside, which is that if we're going to talk about conventional military forces here, I would much rather talk about them in terms of some kind of a roadmap or a grand bargain with the North Koreans, cut some conventional forces leading to greater economic aid. I think that's the way to get conventional forces into the conversation. It's not really what Jim asked me to speak about, so I'll just signal that that's where I've done some additional work that I hope you'll look at, but I think that is a much more promising way to get conventional forces into this conversation than any of the military options we have for the use of force.

MR. STEINBERG: If we were to think about option one, presumably the concern would be a possible North Korean counterattack, what would we have to do in terms of prior reinforcement of our capabilities in South Korea, and how would that affect the deployments to Iraq?

MR. O'HANLON: I don't think we would have to do much. I think we can essentially take out the Yongbyon facilities. You've got two big reactors, you have a cooling pond, you have a reprocessing facility. We have good attack aircraft in the region. I think you might want to bring in some F-117 stealth fighters, you might want to minimize your exposure to North Korean air defenses, but that kind of thing you would probably do quietly and without any great effect on the Iraq deployment because it would be perhaps a squadron or two of airplanes.

MR. STEINBERG: But as you said, if there were to be, if you had to anticipate the possibility that the North Koreans would in response to that begin a conventional war, can we afford to wait until they start a conventional war before we beef up our capabilities for the defense option, your option number three? Or do we have to begin to do that even before we start the strike so that the North Koreans don't get enough of a head start?

MR. O'HANLON: My own gut instinct is to say you would not want to spend a lot of time reinforcing. There may be certain specific things you'd want to do -- Patriots, advanced missile defenses for example of the upgraded type, the PAC-3 that we're just starting to produce now, but you basically would want to maximize the benefit of surprise and quickness and you're going to have a messy fight whether you've added a few thousand American forces or not. Compared to the 600,000 strong South Korean army, I think our marginal reinforcements would not make a huge difference. You may want to bring in a little more air power because you do want to silence those North Korean artillery tubes as soon as you can should they start unloading on Seoul. But maybe bring in a few extra squadrons of attack airplanes in addition to the stealth fighters who would be needed for the actual attack on Yongbyon. I think that's about the way I would limit it, and try to maximize the ability to go fast and go with surprise if necessary.

MR. STEINBERG: A final question. Even if a surgical strike is successful, the strike that you described goes against the existing plutonium and the future plutonium facilities. What kind of a factor do you think it would be in terms of calculating this action, the fact that the intelligence community assesses that North Korea may or does have one to two nuclear weapons already and not necessarily at that site.

MR. O'HANLON: That's a good point. You have virtually no hope of destroying those one or two weapons worth of plutonium. Whether they're in the form of bombs or not of course we don't really know. But you'd have to assume that's going to scale your attack. Then the question is do the North Koreans have greater options with those one or two bombs? I doubt very much they would try to use them against South Korea at that time. For one thing I doubt they could get them into South Korea. They could hope that a gun boat or a suicide aircraft attack or what have you might get through defenses, but with one or two bombs you have too great a chance of failure. But they do have the opportunity in that situation to do something that Ivo alluded to earlier, which is to talk very publicly about selling this material as a response to our aggression and as a way to really up the ante.

North Korea might assess their situation after this strike and they might say you know, we can launch a few rockets at Seoul and we probably should just to show that we're tough guys, but if we do much more than that the South Koreans and the United States are going to come at us and overthrow us and there will be an all-out war and we'll lose.

So instead of doing that, we're better off doing a symbolic strike in response, and then doing the thing they're really afraid of which is to talk about selling the plutonium to al Qaeda, for example. I think that's the sort of additional downside to option one that you have to factor into your plans as well. Whether they could pull that off or would pull it off, I don't know, but we could not prevent it militarily.

MR. STEINBERG: How does this look from the perspective of Seoul?

MR. JAE HO CHUNG: I think there is a misunderstanding or a

misperception about the Korean general public sensitivity to this issue. I think the bottom line is this nuclear issue is enormously important, but I think the general public are not well informed, therefore they do not really have a well formed feel.

I think this is probably the case as well in the U.S. concerning foreign policy issues.

Concerning the new President-elect Roh Moo-hyun, I think it may be true that he will become the President without many experiences in international affairs, but I think he has a very interesting team on the foreign policy. But also I think he has already demonstrated he is learning very fast on the foreign affairs.

Within a few days after being elected he already sent a signal of warning to North Korea that the nuclear program will not be permitted under his Administration. And also yesterday I think, he laid out three guidelines for dealing with this issue from the Korea's perspective. That is no nuclear programs will be allowed, and the message should be peaceful resolution, and the third one is [South Korea's] [inaudible] role. There are some contentious issues here.

We know that the President-elect envoy, special envoy will be coming before the end of this month and I think that will be a very good venue for the Bush Administration and the new Korean President, can form some good understanding of how to deal with this issue.

I think there are a couple of areas where improvements can be made. First of all, whether or not to accept a regime in Pyongyang I think this is a very difficult issue, a very complicated issue. For instance, Don has mentioned about President Carter's piece in Washington Post today. Are we going to go back to the Agreed Framework of 1994, or are we going to, as Secretary of State Powell says, the U.S. might need a completely new agreement?

I think this is a very tough choice and I think it will be a tough choice for South Korea as well. Because if you forego the Agreed Framework that means the [Kito] project which is already on life support will be abolished. Obviously there is not much at stake in terms of U.S. or South Korea and Japan which invested 75 and 20 percent of the investment in [Kito], will just go away.

And also the [Kito] Framework or Agreed Framework is based upon or is further reinforced by the Perry process. I guess most of you are familiar with that term. The Perry process was not, was a bipartisan effort which means it was agreed by both parties to accept the terms. So whether or not to maintain this Agreed Framework will be a very important issue.

A second one I think concerns whether or not Pyongyang really has nuclear weapons. I think it has a lot of domestic implications. For South Korea we have maintained sunshine policy and now suddenly if they have to say North Korea now has nuclear weapons, it will give some domestic trouble. I think same for the U.S. in terms of having to wage two wars.

The third one I think about, the nuclear option. I think the Bush Administration again and again

emphasized there is no need or it is not willing to wage a war.

As Mike said, if even tactical preemption, the option of tactical preemption is considered, I think it will be very unfortunate because according to the 1994 estimates when the Clinton Administration was actually contemplating surgical airstrikes on Yongbyon facility, the estimate was if the war could be, preemption could be completed within 90 days, the estimate on the part of Washington at that time was the casualties for the Korean Army would be like a half million, and for the U.S. military will be 52,000, and the total cost will be $61 billion. And also Mike also mentioned about the Perry-Carter piece on the possibility of tactical airstrikes. But I think there was a concern in the science community in Korea, in South Korea, that if that happens because North Korea is such a shaky underground structure because of a lot of underground tunneling and things like that, there is a great danger of easy leaking of radioactive materials which will immediately spread to South Korea. So this also needs to be seriously considered.

Finally I think there is an issue which has not been mentioned and which is not given due attention, is the assessment of North Korea's will or motive to reform itself. There have been some wide-scattered information and evidence for North Korea's willingness to restructure its economy and open up its system. Although the extent has been quite limited so far, but I think compared to ten years ago it appears to be rather genuine. I think the assessment on the part of South Korea is in that respect quite different from the assessment currently made by the Bush Administration.

So I think there are a couple of areas which need to be worked out between the Bush Administration and the new President in South Korea. I think we are already making some progress in terms of [inaudible] agreements on maintaining talks and Assistant Secretary of State Kelly in Seoul commented that now U.S. is willing to provide some aid in the energy sector if North Korea does away with its nuclear program.

MR. STEINBERG: Don Oberdorfer said that it might help if the rest of the Northeast Asian friends could get together to deal with this problem, though he seemed quite skeptical that that would happen. Richard, how does it seem from the perception of the Japanese, the Chinese, the possibility of engaging on a regional basis --

DR. RICHARD BUSH: The other powers of Northeast Asia -- Russia, China and Japan -- are taking approaches that in some respects are consistent with each other and in some respects different.

All of these three powers, along with the United States and South Korea, want a non-nuclear Korean Peninsula. That is in everybody's interest. The issue is how to get there.

Closest to the United States in all of this is Japan which had back in the summer a rapprochement with North Korea. The condition at the time for Japan was that North Korea

acknowledge that it had abducted a number of Japanese citizens back in the 1970s. North Korea to a lot of people's surprise, did that. There was a hope or expectation that this would solve the problem and allow movement towards normalization and eventually some kind of Japanese economic assistance. Neither the government in Tokyo nor the one in Pyongyang was counting on the Japanese public, which created a firestorm of anger and outrage about these abductions. So now the Japanese government is kind of stuck. It's had to suspend further talks with North Korea, and the revelation of the clandestine nuclear program just made things worse.

This raises a question: if the other countries are able to work out a new arrangement with North Korea, will Japan become an outlier because of the abduction issue.

Russia has aligned with the Chinese in emphasizing the importance of the United States' talking to North Korea. That has been a consistent message from both capitals since this started. Russia's recent focus has been on trying to develop at least a conceptual framework for solving the problem which involves on the one hand North Korea sacrificing its nuclear program in some way, and on the other hand the United States providing security assurances to North Korea and a resumption of aid.

China is I think the most interesting case. As I suggested before, it has lined up with the Bush Administration in calling for a non-nuclear Korean Peninsula. President Jiang made that public pledge to President Bush in Crawford in October. Like the Russians it has been pushing the Administration to talk to North Korea as a way of having any hope of getting out of this crisis. Some people have been puzzled that China has not exerted more leverage on North Korea since it does have arguably the greatest leverage because it provides fuel assistance and food aid to North Korea. It is helping to keep the North Korean system afloat.

China took a new and potentially significant initiative today when it announced in Beijing through the Foreign Ministry spokesman that in addition to encouraging a resumption of dialogue between North Korea and the United States, that it would be willing for that dialogue to take place in Beijing. This I think suggests that China may be becoming more of a stakeholder in this issue, taking ownership of it. It is in another sense hitting the ball into North Korea's court. Will North Korea offend its Chinese neighbor by not taking up this offer?

Don said he was pessimistic that there was a way out of this in part because North Korea seems to be bent on having a nuclear program. If, on the other hand, North Korea is interested in a face-saving way out now, this may provide it.

On this leverage question, it is important to understand that China does have a different set of interests from the United States. It has a specific problem that we don't, and that is that North Korea is right on its border. It cannot afford to see North Korea collapse because that creates all kinds of collateral damage, the least of which would be refugees flooding into China. China also does want to help the United States. It wants to preserve long-term influence on the Korean Peninsula. It would like to promote reform in North Korea. It understands the problems of weapons of mass destruction on the

peninsula, but it has to balance these various interests in a way that's probably different from the United States.

I would conclude by noting that things could get worse for China. That is, if the United States and others began to see the need for action by the UN Security Council, that then puts China and Russia on the spot because of their veto power. Would they be willing to exercise a veto in the UN Security Council to protect one set of interests, or would they go along with the United States to protect another?

I would note a point of history. Don Oberdorfer's excellent book, *The Two Koreas*, tells us that it was when there was movement towards the UN Security Council in 1994 that China started to put the screws on North Korea and really exercised some leverage At that point Jimmy Carter came into the picture. Maybe we are going down a similar road.

Thank you.

MR. STEINBERG: The issue of the Security Council is an interesting one, that the Administration seems to be extremely unenthusiastic today to taking it there.

Let me turn to your questions.

QUESTION: Mary Krantz of [inaudible] International. My question is for Mr. Bush.

I think you said that the Chinese are already providing fuel assistance to the North Koreans. I was wondering if they and/or the Russians have stepped up such fuel assistance since the U.S. shipments have dropped off, and if not, why not?

DR. BUSH: I'm not aware that they have increased their fuel assistance, and I'm not sure why they haven't but that may be an issue that they will have to address at some point.

QUESTION: Steven [inaudible] with AFP.

My question is about what are the strategic implications, first of all, of allowing North Korea possibly to become a nuclear power or even allowing it to pull out of the NPT with impunity. Also the other alternative, by bargaining with North Korea do you encourage other potential nuclear states of looking for a strategic advantage by trying to do the same thing?

MR. DAALDER: These are the hard strategic questions and the Administration has been struggling with them because in its rhetoric and in its basic outlook, the argument has been that you cannot allow a rogue state, which is North Korea and Iraq, the only two rogue states identified in the President's national security strategy, to acquire weapons of mass destruction, and that we will do

whatever it takes to prevent that.

In the particular case of North Korea the worry is not only the ones that I mentioned, one that it does get a military option; two, that it can sell those weapons or at least the materials; but three, that the consequences of allowing or not acting as North Korea goes nuclear for the region are potentially severe because there are two and possibly, if you count Taiwan, three countries in that region that have in the past expressed interest in nuclear programs, that would rapidly be able to develop a nuclear capability on the basis of what they posses technologically already in the country, South Korea and Japan being the other two. And that one of the principles of American foreign policy that everybody has agreed upon from day one is that the proliferation of weapons of mass destruction and in particular of nuclear weapons is something that is of the utmost strategic interest of the United States to prevent. And in particular in this region it has been the number one strategic interest of the United States, preventing war and making sure that nuclear weapons do not proliferate.

So standing by as this happens has potentially severe strategic cost. I would note that a country like the United States that willy-nilly pulls out of other arms control agreements is not in a great position right now to object to a country doing the same thing, arguing that its national security interests are at stake.

One of the consequences of withdrawing from the ABM Treaty is that it doesn't give you a very high moral platform to stand on in order to object to what is being done on the NPT. I would note that Mr. Bolton, a great advocate of withdrawing from every international agreement he can think of, has been rather cautious and quiet about the fact that the North wants out of the NPT.

On the other side, on the question of bargaining and blackmailing, the reality is that if a country has a certain capability you can use that in a negotiation. Whether that's a nuclear capability or is something else, if we want something from another country it can "blackmail" us into giving something in return. This is true of a trade negotiation, it's true of any negotiation. It's true of a marriage contract. And we can call this blackmail and make us feel better, but the reality is if we want to prevent the North Koreans from going nuclear we will have to give them something in order to prevent them from going nuclear, assuming that that works. And if you want to call it blackmail you can score a few political points, but in the end the issue is how do you get North Korea from turning back from where it is? And scoring key political points and having a nuclear North Korea just doesn't seem to me to be the right outcome.

DR. BUSH: From a regional perspective I think the jury is out whether Japan would respond to a nuclear North Korea by going nuclear itself. There is a strong pacifist sentiment in Japan and that would have a major impact.

The more likely Japanese reaction would have strategic consequences would be is to abandon any ideas of providing major economic assistance to North Korea as a kind of compensation for the colonial period.

The way to bring about a stable North Korea and a stable Korean Peninsula ultimately is economic reform in North Korea and reducing the military threat that they pose to their neighbors. For that you need resources. Japan is there with a pot of gold. But that pot of gold disappears if North Korea goes nuclear.

MR. O'HANLON: I do worry a little bit about the blackmail concern, and I think from my point of view the way to address it is also to make it clear to North Korea we're placing some demands on them. And it picks up a little bit on what Richard just said. North Korea needs economic reform. We need to find a way to convince them to begin that process. It's going to be very slow. It's going to be perhaps along the Chinese model of what happened 20-25 years ago in that country, and I think what you have to do with North Korea is demand not just coming clean on the nuclear and missile issues and the kidnapping issue, but also beginning to reduce conventional forces. I think the Bush Administration on this point had some good instincts in its early months but it never followed up, never developed a real proposal. That's a way, if you at least talk about this as some kind of a package deal you may not have to agree to the whole thing at once, but you want to lay out a roadmap for North Korea which is you're going to have to come clean not just on weapons of mass destruction issues that we've talked about before, but begin to reduce your spending on the military which right now gobbles up 25-30 percent of your GDP. It's unsustainable.

If you leave North Korea in that position they will have to manufacture another crisis over yet another illicit weapon somewhere down the road because their economy won't be repaired enough to allow them to go on a stable course. So you have to find some way to push along and nudge along reform. Maybe proposing the whole grand package at once and expecting it to be adopted quickly is not realistic, but I think you have to start convincing them to downsize their conventional forces and that can also address this concern that you're not just giving in to blackmail.

MR. OBERDORFER: What Mike says reminds me of a point that I'd like to make. That is when we talk about North Korea we kind of assume there's this big blob up there that's not changing at all. That's not true. In fact in the past several years the regime in North Korea by any previous standard has been changing considerable. Reaching out to its neighbors. South Korea is the most obvious example. President Kim De Jung went up to Pyongyang for a summit meeting in the year 2000. They are building roads and railroads through the DMZ to connect North and South and further on into Russia.

There was an attempt, as has already been mentioned here, to dramatically improve the relationship with Japan. It didn't succeed in the way everyone expected in September, but it was a fairly dramatic example of North Korea's desire to change its relationship with Japan and get that pot of gold or whatever Richard suggests.

It sought to improve its relationship with the United States during the Clinton Administration where you had the number one military man, or arguably the number one military man in the country,

Marshal Jo was here in Washington. Secretary Albright was in Pyongyang.

It's improved its relations with Russia.

And on the economic side in July it instituted with one fell swoop the biggest economic change that the country has ever seen. Whether it will work or not is another question. It's not exactly like the Chinese model but it moves in that direction. Real prices, real wages, real rents, etc.

So North Korea has been trying I think to get out of the situation that it is in which clearly is not sustainable over a long period of time. That, having sounded a pessimistic note about their nuclear weapons, that should be an optimistic thing because they're not just sitting there as a blob. Their military is, yes, and their military at the moment may have the upper hand, but I think the leadership in North Korea must know that just to have a bristling surface like a porcupine against the rest of the world is not going to be sustainable in the long run and therein lies the possibility of some kind of a negotiated settlement of this problem.

QUESTION: Joe Winter, Korea Economic Institute.

I'd like to ask Dr. Chung and Don Oberdorfer to talk a little bit about the issue of U.S. troop presence in South Korea. This has now become a very hot issue. Passions are inflamed. South Koreans saying Yankees go home. A lot of American commentary saying right on, we ought to come home. Is this issue now out of the bottle? Can you now foresee a set of circumstances where you can calm passions and deal with it rationally? Go back to status quo ante? What are the implications now of this anti-American sentiment, particularly as it relates to U.S. troop presence in South Korea?

MR. CHUNG: My view is that I think the whole issue has been blown out of proportion.

First of all I think anti-Americanism is not a good analytical concept. By using that I think you are implicitly accepting an artificial dichotomy. You are either pro-American or anti-American. I don't think that is true. I think the [inaudible] you have seen about the demonstrations in front of the city hall in Seoul, I think we have to make a clear distinction between those people who threw malatov cocktails at the gates of the American Embassy and those people who hold the hands of their children and hold up candles to mourn the death of two school girls killed by a U.S. Army vehicle. They are two different things.

I think the current Administration in Korea has already defined it. It is not an anti-American demonstration. It is a demonstration to demand certain revisions and changes in the SOFA agreement. As you may recall in 1994 when there was a rape case in Japan, I think there was immediate attention given to the [inaudible] in Japan. I think this situation, the killing took place in July of last year but demonstrations continue until today. I think this situation could have been avoided because eventually President Bush made an apology, but that took four and a half months I think. Before that he delivered apologies indirect ways. First the Ambassador to South Korea Herbert, Ambassador Herbert delivered

indirect apology. Then later on Deputy Secretary Armitage did that too. Both didn't work. Finally President Bush gave a direct apology.

If he had done it directly in the first place, probably much of this could have been avoided.

Second, regarding the troops. I don't think the majority of people in South Korea want to see U.S. troops withdrawn, and if there are people who are saying that either they are not well versed in the strategic situation in Korea or they are simply anti-American.

I think there is already quite several projects going on to study the potential implications and what are needed to be prepared in case of a significant reduction or withdrawal of U.S. troops in the future, but until we have a good measure to prepare for that, I don't think that is really a good alternative to deal with.

On the other hand I think having lived in the U.S. since last August and having lived through the sniper case and all of that, I tend to realize what kind of psychological environment the Americans live in, and it is understandable. But nevertheless I think there should be a certain understanding of what is going on on the other side of the border as well.

For instance, what if the articles or commentaries carried in many major newspapers only talked about certain things that are not necessarily the core issue from the viewpoint of South Koreans. A lot of things that are going on in South Korea do not make it onto the Washington Post, but they are nevertheless very important in South Korea.

So just because there seems to be some footage about anti-American or some demonstrations against what U.S. does, doesn't mean they want U.S. troops to leave. I think that's probably the interesting point about U.S. The U.S. fascinates at the same time infuriates people around the world.

MR. STEINBERG: In the old days that would have appeared in the Washington Post.

MR. OBERDORFER: If I could just make one comment on that. The alliance between the United States and the Republic of Korea has been one of the bedrocks of American security policy in the Pacific for a long long time, and the relationship between the U.S. and South Korea, which has had its ups and downs, has been extraordinarily close given all.

I think we may have entered a new era here where this whole thing is going to be rethought, not in the middle of this crisis or grave concern or whatever it is the State Department wants to call it, but the election that took place in December, last month, in my opinion brought a generational change to the leadership in South Korea. I was there in July and interviewing, particularly trying to interview people of the younger generation. I did also interview Roh Moo-hyun which at that time it didn't look like he had much of a chance. But the younger generation in South Korea, in general, up to now, has experienced practically no sense of threat about North Korea. Things in the Korean Peninsula have calmed down a

great deal, especially in the last couple of years and they have lived with North Korea all their lives. They don't remember the Korean War or even the poverty stricken and difficult days that followed it.

If you don't have much of a sense of threat about North Korea, you just want to deal with them, as one student said, like a distant cousin who you see now and then at a family reunion. It's really hard to make the case why 37,000 American troops should be in your country with the inevitable accidents that unfortunately happen such as the killing of the two school girls by an American armored vehicle, all kinds of inconveniences, environmental problems, and land problems, and all the other things.

So I think the day is coming when this relationship is going to change. Roh Moo-hyun said to me, South Korea has changed a lot, and the U.S.-Korean relationship should change. Now he didn't have a particular prescription for that and I don't think there is a real prescription for it, but dealing with the questions of troops and how many there are going to be and where they're going to be and what they're going to be doing is certainly one of the things that I think is necessarily going to be on the agenda.

MR. STEINBERG: Mike, any strategic implications for the U.S. military if we're no longer on the Korean Peninsula?

MR. O'HANLON: Of course U.S. forces in Korea have been focused almost exclusively on just the peninsula, so in that sense the answer is no, I don't think there is a broader strategic ramification. But then you have to think what about Korea if and when the peninsula is reunified? Do we want to maintain some kind of a military relationship? I think we very much do. We don't want to put all of our eggs in the Japanese basket in terms of our long term presence in the region. So for a lot of reasons, near term threat of North Korea, longer term balance of our disposition in the region, I think we want to evolve towards the point where U.S. forces are more regionally oriented and that means we need a good relationship and a sustainable one with the South Koreans. It may require some modifications to our current posture. Whether it's the status of forces agreement, whether it's the amount of land that U.S. military forces now use in Seoul which is probably excessive and probably should be streamlined. There are a number of things I think we need to consider. But I do share the concern and the belief that we want to keep a strong American military presence there, not just now but even if and when we can resolve this Korean civil war.

QUESTION: James Rosen, McClatchy Newspapers.

For 30 years or so with the Soviet Union we had a sort of standoff nuclear policy that came to be called mutually assured destruction. At least after the Cuban missile crisis nobody talked about blackmail from the Soviet Union. They had thousands or tens of thousands more weapons than any of these little countries are talking about developing now.

So I wonder with the changes in nuclear policy that the Bush Administration is looking at, these other developments by the so-called rogue nations, I wonder are we creeping toward, specially post

9/11, are we creeping toward a sort of different version of MAD, mutually assured destruction, in which instead of talking about blackmail, despite these pronouncements which may or may not be tenable, the Bush Administration may be finding out that we will not allow any nation to develop WMD, are we creeping toward a new version of mutually assured destruction in which there is this understanding that if you North Korea, or you Iraq, use these weapons in any way, you'll simply be wiped out and your regime will disappear? Is that sort of a reality that maybe people are not officially talking about now?

MR. STEINBERG: One of the problems with that analysis is the reason we're concerned about other countries developing nuclear weapons is not simply their use of the nuclear weapons, but whether their possession gives them cover to do other things. In effect it's a shield rather than a sword.

The concern about Iraq for example is that if Saddam Hussein has nuclear weapons that he will feel freer to undertake regional adventure, that had we had to re-run Desert Storm in the situation where Iraq already had nuclear weapons, that there might have been greater reluctance to go into reverse the incursion into Kuwait, harder to get people to take the military option.

And if you look back to the Cold War situation the problem always was with that linkage, not the direct strategic standoff but rather the linkage between the potential conventional war and what it would take then to escalate to nuclear weapons.

So I think that it doesn't solve the problem to say that the fact that these countries would acquire them doesn't mean that they would use them, because the problem that we worry about is much more focused on what it does to regional balances as well as the risk of miscalculation in a situation like that, which is if a bluff gets called you can quickly move up the escalatory ladder. We've seen that play out in the risks that we've seen and the discussion lately between India and Pakistan in which the Pakistanis have indicated the circumstances in which they might be forced to use nuclear weapons.

Although there are theorists out there who argue that there could be a stable arrangement with these countries developing nuclear weapons, I'm quite skeptical.

Ivo, do you want to add anything?

DR. BUSH: I think the President made an important insight that having broke regimes, regimes led by leaders like Saddam Hussein and Kim Jong Il, having weapons of mass destruction is a significant security threat. I am quite frankly quite astonished to see that same Administration say it's okay for the North Koreans to have a couple more nuclear weapons.

It's not okay for North Korea to have a couple more nuclear weapons. It's not even okay for them to have two. It hasn't been the policy of the United States to say it is okay, and for all the reasons that Jim laid out.

You don't get to stability by having everybody get a couple of nuclear weapons. That gets you

to the more likely use of those weapons, particularly by people who don't have our best interests at heart. And for all the changes in North Korea, I think we would all agree that the North Korean regime does not have our best interests at heart. To give them nuclear weapons, to allow it to happen, and blithely saying it's okay is remarkable.

QUESTION: I'm Howard Witt from the Chicago Tribune.

I gather from some of the comments you just made that on this kind of overarching question of Iraq vs. North Korea, why Iraq and not North Korea, that you on the panel would generally agree with this kind of a horse is out of the barn door argument, which is that given the complexity of North Korea and the fact that they already have a couple of nuclear weapons, and the fact that that means essentially it's difficult to confront them, that it's necessary to do Iraq now simply to prevent Iraq from getting to the same stage. Is that essentially what you all would agree?

MR. STEINBERG: Probably several of us would like to take a shot at this. I would put it slightly differently which is I think there are reasons to pursue different strategies vis-a-vis Iraq and North Korea, but to the same end which is to say our goals should be the same in both cases. A non-nuclear result.

With respect to Iraq we have had 12 years of Iraq having the opportunity to meet its obligations on the Security Council Resolutions and it's just a flagrant unwillingness to do so. It's not as if there hasn't been a lot of diplomacy. It's not as if there haven't been significant carrots to the Iraqis to get out of the sanctions by virtue of their compliance. They could have done it any day from the day the Resolution 686 was first adopted. So there I think the need to crystallize this and show that the international community is prepared to follow through on its stated demands on Iraq is extremely important for establishing the principle that we're not going to have them.

I think vis-à-vis North Korea, because I do think certainly at an earlier stage, and most of the panel seems to have a sense that there was a way to deal with this through diplomacy and potentially, although maybe we're past the point still now, that diplomacy could be avoided. But I think at some point it is the obligation of the Administration to go to the Security Council as we did with Iraq and to raise this as a Chapter 7 threat to people's security. So ultimately we may be forced to deal with North Korea the same way.

And I wouldn't accept the horse out of the barn argument. I would say more the reason for the difference is there is still a reason to think that diplomacy can succeed with North Korea and it's clear that at least without the threat of force that Saddam Hussein is not going to change his posture.

MR. O'HANLON: I agree fully. That's very well said. But I would add the conventional force piece to this. The main reason we don't go after North Korea in my judgment is not their potential arsenal of one or two nuclear bombs, it's their real conventional force threat and the fact that our chief regional ally is so concerned about that threat for understandable reasons, and that our military would be

as well.

Whereas if you look at the case in Iraq, countries that are either bordering Iraq or most likely to be threatened by it are willing to see the United States go to war, and in some cases actually quite supportive depending on whether it's Israel versus Kuwait versus Turkey or someone else. The closer you get to Iraq, even though there's certainly ambivalence and the Turks and the Saudis have been clear they would still hope very much not to have a war, you still don't see their population centers being directly threatened the way Seoul is by conventional forces of the DPRK.

DR. BUSH: If you buy the argument that seems to be the argument of the Administration as you put it that we should do Iraq because there the horse is still in the barn and in North Korea it's out of the barn, the message it sends is horrendous. It basically says that if you are smart enough to get nuclear weapons before we find you out, you're invulnerable. That's giving appeasement a bad name basically. That basically says that blackmail is okay, as long as you happen to be able to blackmail us before we find you out.

The way I read this Administration, everything I know about what they talked about, that's inconsistent with where they are. The one thing I really support is the notion that you cannot allow these countries, the worst leaders to have the worst weapons as the President put it exactly a year ago, and to say that it's okay for the worst leaders to have the worst weapons once they have them sends a message to the rest of the world that the one thing you really need to do to be invulnerable, to be able to do whatever you want to do, is to acquire nuclear weapons sooner rather than later. It is not a message that I think it is in the American interest to be sending around the world.

MR. OBERDORFER: ?? It's by no means clear that North Korea has one or two nuclear weapons. The Administration may find it a useful thing to indicate for reasons of argument, but in fact all of this is based on a calculation of the down time of a reactor at Yongbyon prior to 1993 when it was put under UN observation. There was a period of time when there was no satellite path over that facility and the United States intelligence did not know whether the facility was operating or not. It was down for a certain period of time, that's clear. The North Koreans have said they put it down for maintenance.

The calculation was during this period of time how many fuel rods could they possibly have extracted from the plant to reprocess into plutonium? And if they did, at the maximum efficiency, they could have reprocessed enough plutonium to create one or two nuclear weapons. We don't know that they reprocessed that much plutonium. The North Koreans deny it of course, but we don't know that they did.

In the 1990s the CIA and the rest of the intelligence community said that, just as Mike used that word, potential nuclear weapons, said they possibly, possibly had enough plutonium to create one or two nuclear weapons. The CIA more recently has been rewriting its own history for reasons that I find hard to understand, putting out a release that said that North Korea has one and possibly two nuclear weapons. Actually in the 1990s they said they possibly had one or two. That's the big difference.

As far as I know, I'm not privy to any hot stuff from intelligence, but as far as I know there's never, although defectors have claimed for a long time that the North Koreans have nuclear weapons, I don't believe that there's any real credible evidence that they actually do. They possibly do.

My own feeling is that if they had them we would know about it because they would have told us about it a long time ago. But that's just my own impression. But there is no hard evidence that North Korea has nuclear weapons as far as I know and as far as information from the intelligence community.

MR. STEINBERG: A footnote on that very clear and accurate explanation is of course one of the reasons we wanted to get in to inspect and to get the fuel rods is because it is possible to determine whether it has been extracted or not if we were able to get in, and one of the things the North Koreans are doing at a minimum is they don't want to clarify this question. So they've kept us from having access.

QUESTION: Peter Howard from American University.

I wanted to ask how important was the recent South Korean election in that A, did the Bush Administration sort of get caught on its heels backing the wrong candidate, or at least hoping the other candidate would win? And how different would the South Korean approach to this situation be had the other candidate won the election?

MR. CHUNG: I think that is true, that the current U.S. Administration might have hoped the other candidate could have won. Maybe that was probably quite similar to the situation the South Korean government had when the U.S. had a presidential election. [Laughter]

If the other candidate U.S. had been selected President probably, presumably the [inaudible] had foreign policy [inaudible] advisors who had much closer ties to the U.S. so that the expectation was the road would be much smoother for Washington and Seoul to bridge the differences if there are any in politics. But as it stands now I think the Korean newspapers already reported a very important meeting I think in which the new President-elect met with the people who used to be the other candidates' advisors.

I don't know how much he will actually, how far he will go with utilizing this network, but that remains to be seen.

MR. STEINBERG: We have time for one more question.

QUESTION: Thank you. I'm David McIntyre with DPA German Press Agency.

I'd like to revisit the question of a potential emissary to break the diplomatic deadlock. Who might it be? Would it be someone from the Administration such as Colin Powell, or has he lost all his

credibility on this issue after his skiing accident? Or would it be someone perhaps even Bush 41 if he would be available?

MR. OBERDORFER: ?? I have no idea who it might be. I think though that it's going to have to be somebody of some stature that would be recognized by North Korea as a person of importance, or who has been anointed in some very highly visible way by the President to do this.

I think Mr. Carter would certainly be available, but I doubt that this Administration would want him to play that role. As far as who, I don't know, but I think it needs to be somebody who commands not only respect but who commands the credibility factor which North Korea will find essential in accepting some kind of a security assurance.

MR. STEINBERG: Don, you've traveled with Don Greg who's obviously close to Bush 41. Would that be somebody who might be of interest to the North Koreans?

MR. OBERDORFER: Only I think if Greg were somehow anointed by George W. Bush to do this. HE certainly couldn't do it as a regular private citizen without something of that sort. We had very interesting and good talks in Pyongyang, but they were the kind that you have with somebody who you're not expecting to negotiate on the part of a country, and Don made it extremely clear he was not talking for the Bush Administration.

MR. STEINBERG: Any other candidates?

MR. O'HANLON: ?? It should be Bill Clinton, but it won't. [Laughter]

MR. OBERDORFER: I think we can make that as a safe bet.

MR. STEINBERG: I was thinking Secretary Albright who has been there. But I wouldn't put a lot of money on that.

Thanks very much. Thanks to our panelists.

# # # #