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Panel III: A Peace Process in the Korean Peninsula

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PROCEEDINGS

KIM YOUNG HEE: Thank you. Good morning, ladies and gentlemen. I like presiding over this particular session, in which peace is the main theme. Usually, particularly in this part of the world, when we think of peace, we discuss peace in the abstract form. To many of us Koreans, peace – for example in the Balkans, even in the Middle East, sounds a bit far away.

But the peace today is a tangible peace. Real peace, which promises to be the goal of current nuclear talks. As you all know, since antiquity, great thinkers, scholars, and statesmen have mulled over how to bring peace in their respective states.

And one of them, one of such thinkers had presented a utilitarian perspective for peace which we find has a direct relevance to how peace today. Desiderius Erasmus thought of Renaissance humanism and he is known as the first modern theorist of peace.

In brief, his dictum, his advice, was to buy peace if necessary. Can we say that what the five nations in the six party talks are trying to do is to persuade North Korea with a variety of incentives? In fact, a contemporary formula of peace by means of economic interdependence is traced back to Erasmus's utilitarian view that commerce is conducive to peace. He offered mediation as a means to reconcile disputing parties. Henceforth, when excellent scholars and heads of monasteries and clergy are asked to mediate disputes, their constructive opinions really resolved conflicts.

The Sejong Institute has not invited any heads of monasteries or clergies because I guess in our time seeking peace is a secular job, not the business of religious leaders alone. We have four excellent secular scholars and former high ranking senior officials with big knowledge, insights, and ideas about how to bring forth about peace on the Korean peninsula and in the surrounding Northeast Asian regions.

For this session, we have four excellent scholars and experts. Two paper presenters and two discussants. I want to introduce each of them. He has not arrived yet? Ok, anyway he will be with us pretty soon. Professor Park Kun Young is teaching at the Catholic University of Korea and he was the university dean of school of international studies. He is an authority on the issue of the Korea-U.S. alliance and he is an author of “Beyond North Korean Nuclear Crisis.” Very relevant topic to us and to the international politics of the Korean peninsula.

Another presenter, Mr. Joel Wit on my right, is a research fellow at Columbia University. He had worked at the State department for 15 year, mostly on U.S.-USSR nuclear arms control. And as a senior adviser to none other than Mr. Robert Gallucci, the coordinator for the '94 Geneva Agreed Framework between North Korea and the United States.

And as for the two discussants, Dr. Richard Bush on my left is a senior fellow at the Brookings Institution and he is the director of the Center for Northeast Asian Policy

Studies.

And Professor Lee Sang-man at the Chung-ang University is a very distinguished celebrated professor of economics, or rather international economics. Concurrently and uniquely, he is an eminent scholar at the University of Alabama and he is the director of East Asia Institute for Business Research and Culture. And he has taught at universities in Ukraine, Vietnam, and Hungary.

I thought of asking Professor Park to present his paper first but since he is not here may I ask Mr. Joel Wit to be the first speaker of this session?

JOEL WIT: Thank you very much, Mr. Kim. Before I begin, I would also like to thank Brookings and the Sejong Institute and the Korea Foundation for holding this meeting and particularly my friend Haksoon Paik who I know has done a lot of work, hard work to organize this good conference.

I was planning on following Dr. Park's paper and so what I am going to say pertains more to the U.S. role in finding permanent peace arrangements. Then it may seem a little out of order to you but I know his paper is excellent and I think it covers a lot of the basic issues with regard to the substance of permanent peace arrangements on the peninsula.

So I'm going to add a few points from my own perspective which is not as an academic or scholar, but more from my perspective as an American and also more from my practical perspective as some one who has spent many years in the U.S. government and who has also worked quite a bit with North Koreans. So what I would like to do is organize my remarks around two basic themes and that is short-range planning and long-range thinking.

To me the most striking aspect about this subject of seeking permanent peace arrangements is what is likely to be the extraordinary complexity of these negotiations once they get started.

First, like Dr. Park and many others, I believe the best approach will require the direct participation of four parties: South Korea, the United States, China, and North Korea, given their roles as the principal belligerents in the Korean War. And moreover I think there's an even stronger argument that can be made for American and Chinese participation since they are the outside powers with the greatest influence on the peninsula and their interest are going to have to be taken into account if any new arrangements are to last.

Let me add that there may be a need for another group of countries and organizations like Russia, Japan, Australia, the UK, France and others who have participated in the UN command during the war – as well as the UN itself. The role of this group will not be to directly participate in these negotiations but it will certainly be closely consulted and maybe even called upon to endorse any agreements.

On top of this, the objective for these discussions will probably be to reach a set of six separate arrangements and agreements. Perhaps a North-South arrangement reaffirming and implementing the basic agreement. Maybe some sort of U.S.-North Korean agreement normalizing bilateral relations, a four-party component that would bring China in as an armistice signatory, military confidence building measures that some experts would argue could serve as an interim steps, and eventually mutual force reductions.

To me as a former government official who has been involved in negotiations, this sounds like an extraordinary complicated task in and of itself. But when you throw into this mix, the other possible ongoing efforts with North Korea, then it becomes even more complicated.

Thinking about that into the future, those efforts will certainly include the denuclearization talks in Beijing and if we reach an agreement, the extremely difficult chore of implementing any denuclearization arrangement and we heard about that yesterday how that chore could last a decade at least. There may be renewed missile talks with North Korea, which I think it would be a major undertaking for the United States and there may be other discussions with North Korea as well on other issues.

In short, as I said at the beginning, that means we are confronting an extremely complicated difficult agenda across a broad range of issues if our efforts to engage North Korea are successful.

Let me hasten to add that does not mean we should limit our future agenda or that we should put off the beginning of permanent peace talks. But at least from an American perspective, given this extraordinary burden of conducting all of these talks, it does mean we need to think very carefully about what steps must be taken to ensure that we can move forward successfully and that we keep our priorities clear in our own minds. And let me talk about some of these steps a little bit.

First, the talks on permanent peace arrangements are at least initially only meant to complement the Beijing six-party talks on denuclearization. Those talks in my mind and I think also on others, have to be our main priority and we cannot risk any parallel discussions that would detract from that effort. And I would add that this condition has also been reflected in joint statements by both of our countries' leaders.

Second, given our immediate priority of denuclearization and these other potential efforts, we should consider how to sequence this set of talks for permanent peace arrangements in a way that will help us build momentum and lay the basis for rapid progress in the future.

Certainly, limited confidence building measures, such as the recent steps agreed to by Seoul and Pyongyang are worthwhile to pursue upfront but it seems to me that our first priority here must be U.S.-North Korean normalization of relations. That set of

discussions is critical for the Beijing denuclearization talks as we heard yesterday, but also I believe that if historical experience is any guide it will also be critical for any new negotiations on permanent peace arrangements.

The state of U.S.-North Korean relations seems have been one of the important sticking points impeding progress in previous talks on permanent peace arrangements during the 1990s, particularly since those relations did not progress smoothly as expected in the aftermath of the 1994 Agreed Framework.

Chuck Kartman, who was the U.S. chief negotiator in the four-party talks, recently told me that after the Perry process and Secretary Albright's visit to North Korea in 2000, he believed that the four-party talks were poised to make rapid progress towards new permanent peace arrangements if the Bush administration had decided to push forward. And of course it did not push forward with those talks.

A rapid improvement in U.S.-North Korean relations could be the key to both making significant progress in the Beijing talks and also to making an important progress in reaching new permanent peace arrangements. And of course, as we heard a little bit yesterday, there are number of steps that Washington could seek to take in moving normalization forward including more bilateral meetings, perhaps with increasingly senior officials and I would mention or I would note that part of the February agreement is for the six foreign ministers involved in the six-party talks to meet at some point in not too distant future.

Part of all these bilateral meetings should be communicated with North Korea laying out principles governing relations. Another step that we heard about yesterday establishing diplomatic relations through establishing liaison offices, removing North Korea from the terrorism list, and lifting of other economic sanctions.

Third - this comment is based also on my experience as an American bureaucrat - looking into the future I wonder whether the U.S. government will have the resources to effectively manage such a diverse set of negotiations that, in addition to the nuclear missile and perhaps and other discussions, will also include talks on permanent peace arrangements. Making sure it does have those resources I think it will be a critical factor in making sure that this new set of negotiations as well as our overall policy towards North Korea is successful.

From my own personal experience in the U.S. government, it is not all that clear that this has been done in the past, but we certainly need to do it well in the future. And that means making, dealing with North Korea an important priority in U.S. foreign policy, devoting the right manpower to this diverse set of issues, and making sure we have the right organization, namely whoever is in charge of North Korea has the authority to make policy in consultation with the most senior levels of the American government.

To my mind, the best model would be along the lines of what we had during the second term of the Clinton administration, with a senior person like Wendy Sherman in

charge who would have direct excess to the Secretary of State and the President. And working for that person-in-charge would be a number of special envoys including one who would represent the United States in a new set of talks on a permanent peace arrangement and they would be devoted full-time to each of these individual components. And working for them of course would be the right mix of regional, technical, Korea, and intelligence experts to get the job done properly.

Beyond these bureaucratic and tactical issues - and this is in the area of long-term planning - I am not sure that either the United States and South Korea have planned adequately for these long-term implications of a new permanent peace arrangement. Part of the reason for that is because most of us are pretty skeptical about the possibility for making serious progress in these talks at least in the near term. We think they will be difficult and they will take a long time to finish.

However, I think we need to consider all scenarios to avoid being unprepared. And for example, what if circumstances are such that these talks are not as difficult as we expect. What if they make surprisingly quick progress? As they said, this scenario may seem farfetched to some given past experience but I think it's certainly possible particularly under the right circumstances where all the parties are committed to success.

If that happens, what would be the impact of successful negotiations on new permanent peace arrangements? On the regional, political, economic, and security environment, on bilateral political relationships between participating countries, on U.S.-South Korean relations, and particularly on our bilateral military alliance?

On the last question for example, I was intrigued by one of Jim Kelly's recommendations for the future, that while we consider further reductions in U.S. ground forces we should also keep in mind the flexibility provided by air power in meeting both countries' defense needs. If you talk privately with some former senior American military men with experience in Asia, looking even further into the future, they can envision an alliance structure based largely on the stationing of some U.S. air force units in Korea, access to key ground facilities, and perhaps without the permanent presence of American ground forces. That's just one attempt to visualize a different future in this region, a more peaceful, stable future in the region.

I think these are all questions that we need to seriously consider, and particularly so we are not surprised if these talks make rapid progress.

Why don't I end my remarks here and I will turn it over to Dr. Park. Thank you.

MR. KIM: Thank you, Mr. Wit. Mr. Wit's presentation has specific suggestions and particularly in regard to the sequence of events. He set forth themes that we can exchange views extensively later on. And now that Professor Park is finally with us, may I ask Professor Park to begin your presentation?

PARK KUN YOUNG: Thank you, Mr. Chairman for the introduction. I also

would like to thank and congratulate the organizers and the sponsor for putting together this wonderful conference today.

What I am going to do this morning is to suggest some policy alternatives that I believe will effectively bring permanent peace, a solid state of peace to the Korean peninsula.

Since the Korean War, there have been several theories or attempts to bring about permanent peace in the Korean peninsula. Another attempt is being made in conjunction with the September19 joint statements and the February 13 action plan. This attempt is particularly important not only for the peninsula but also for regional and global peace and stability given that North Korea has conducted a nuclear experiment and the rollback of North Korea's nuclear program is closely intertwined with the peace process in the peninsula, and the resuscitation of the NPT.

I want to emphasize that the normalization of U.S.-North Korea relations, which is likely to be simultaneously exchanged for North Korea's complete dismantlement of its nuclear programs, would constitute a dominant portion of the permanent peace structure on the peninsula.

In any peace negotiations, it is imperative that one side should be assured that its security will not be threatened by the other.

In a more specific and relevant context, the Perry Report of 1999 is very instructive when suggesting that United States policy must deal with the North Korean government as it is, not as the U.S. might wish it to be, and that the U.S. should initiate negotiations with North Korea based on the concept of mutually reducing threat.

In fact, North Korea has claimed that its security has been threatened by the U.S.'s North Korean policy that it has regarded as having hostile intent, while the U.S. has been seriously worried about North Korea's nuclear weapons and materials.

North Korea has always suggested that its security would be obtained only when it normalizes its relations with the U.S. and that the security it obtains will relieve it of the necessity to possess nuclear “deterrent capability.”

The U.S. has demanded the complete dismantlement of North Korea's nuclear programs. Therefore, the give-and-take type of solutions seems reasonable. There's a concern though that North Korea will never abandon its nuclear weapons and programs even if the U.S. normalizes its relations with the North. But it seems to disregard the fact that North Korea has now a capability to make nuclear weapons such as nuclear technology, natural resources, and relevant scientist and engineers.

If North Korea were required to reconstitute a nuclear weapons program for any reason, it could do so far more quickly than a decade ago. This means that North Korea has little to lose by dismantling its existing nuclear weapons program in case it views the

normalization will bring about significant security and other benefits.

One may suspect that North Korea will drive a wedge between Korea and the U.S. by alienating the former in the course of the normalization process. The two allies should make sure that the process would start only if North Korea accepts South Korea as a legitimate sovereign government with equal standing on the peninsula as North Korea.

One may also argue that even after the dismantlement "North Korea must take other steps to achieve a wholly transformed relationship with the US including eliminating other WMD, putting an end to the proliferation of missiles and its technology, and adopting a less provocative conventional force disposition."

I think this is too idealistic. And a more strategic and pragmatic, and therefore more promising, approach is to concentrate on the nuclear problems and let the forces of engagement after the normalization solve the other problems in a way similar to the Nunn-Lugar cooperative threat reduction program.

Besides the normalization between the U.S. and North Korea, another element facilitating the peace process is the replacement of the armistice with a peace treaty. To work together, to work towards the peace treaty, the directly concerned parties need to work out their differences on several issues together.

The first is the timeline. It would be reasonable for the parties to start negotiation after North Korea has provided a complete declaration of nuclear programs and disablement of all existing nuclear facilities. That is because the participants in the six-party talks must concentrate on resolving the nuclear issue.

But it seems unreasonable to postpone the negotiation on the peace process until North Korea has dismantled its nuclear programs because it would not only disregard North Korea's vital interest but also have a potential to derail the nuclear negotiation process itself given that the two issues are inextricably intertwined with each other.

And the reasonable timing of the conclusion of the peace treaty would be when the U.S. diplomatically recognizes North Korea and the latter dismantles its nuclear program. It is desirable that the three important events come at the same time. But it is entirely acceptable even if the peace treaty comes later given that there are hot issues including the NLL (Northern Limit Line) dispute which may make the treaty difficult to conclude.

The concerned parties need to understand that the normalization of relations between the U.S. and North Korea constitutes in a de facto sense, the crux of the peace treaty and that there are many cases where nations that had previously fought against each other have established diplomatic relations prior to concluding a peace treaty.

A *modus vivendi* declaring the willful peace may be useful in the interim. As for the question of determining the participants in the peace forum, there have been number

of suggestions.

The most feasible format I believe is the four-party talks including the two Koreas, the United States, and China, which directly engaged militarily in the Korean War. Concerning the more specific question of who gets to sign the treaty, there are couple of alternatives: the 2+2 and four-party peace treaty methods.

I believe that the treaties simultaneously signed by the two Koreas, the United States, and China make more sense in that all the parties were directly involved in the war, and North Korea feels threatened by the U.S. and vice versa.

Concerning the content of the peace treaty, the relevant chapters in the 1991 North-South basic agreement can shed a guiding light. The basic agreement now seems no longer binding for political and other reasons. Nevertheless, the rationality and the relevance of the document remain unchallenged even today.

The peace treaty has a tremendous political and symbolic meaning for the signatories and the rest of the world. But the solid and lasting peace cannot be guaranteed by the document alone. Measures that assure the compliance of the treaty should be established. The normalization of the relations between the U.S. and North Korea is one important facilitated mechanism, as I said earlier.

Others include the expansion of the inter-Korean economic cooperation that could lead to the formation of the North-South economic community, the arms control on the peninsula, and the institutionalization of the multilateral security cooperation in Northeast Asia.

These measures are particularly important in that it not only facilitates and strengthens the peace dynamics but also makes the process forward-looking, in other words, unification-bound.

As for the economic cooperation, the immediate task for the two Koreas would be the expansion of the Kaesong Industrial Complex, the Kumgang Mountain Project, and the rapid completion of the re-connection of the cross border railroads and roads constituted during the Korean War.

With re-vitalizations of such projects, the two Koreas could work together for major ventures such as a large scale investment in infrastructure and exploration of natural resources in North Korea.

It is crucial for the Koreas to go down this road based on the two-track approach: the core intent of which is to prevent political problems from hindering economic cooperation to the extent possible.

The expansion of inter-Korean economic cooperation is likely to contribute to the deepening of inter-dependence between them that in turn would give a significant

leverage to Korea when negotiating with North Korea on permanent peace on the peninsula. Moreover, it will also produce a so-called “wretched defect” in the sense that the peace process cannot go backward once the inter-dependence crosses the threshold.

A military measure that underlies the peace structure or pushes the peace process forward is arms control on the peninsula, which could significantly reduce or remove military capabilities to provoke a war. In 1990, the two Koreas exchanged their perspectives and positions on arms control at the Prime Minister-level talks. This could be a basis from which the arms control negotiations can start.

One should be aware that the efforts of the governments of the two Koreas for arms control may not succeed if the pressures of the military industrial complex and the entrenched interest are not adequately restrained. One example often taken in this regard is the missile defense system that the U.S. has been constructing in Northeast Asia and throughout the world.

Many strategists in the U.S. as well have said that the U.S.’s missile defense project is primarily motivated by political, psychological, and commercial business oriented goals. Some even suggest that it is like a religion for some American conservatives.

If this is the case, the peace process which would effectively remove the danger posed by North Korea's nuclear-topped ballistic missiles collides with the interest of the missile defense advocates.

Of course, whether this logic becomes a reality will, to a great extent, depend on whether the political leadership in the U.S. changes its view on the missile defense system.

The negotiation on the arms control on the peninsula is likely to include the issue of the U.S. forces in Korea. There's no doubt that the USFK's right to station in and about Korea has derived from the bilateral defense pact. And therefore, the issue is entirely between the two allies.

However, the issue will be inevitably raised at the peace forum for many reasons. The two allies could agree to discuss this issue when the negotiations on nuclear problems and the peace process make significant progress.

One thing quite certain is that North Korea and probably China will not press forward the withdrawal of the USFK. They seem to understand that the withdrawal of the USFK is likely to lead to either the strengthening of U.S.-Japan alliance or the emergence of ‘belligerent’ Japan, both of which will definitely collide with their security interests.

North Korea has expressed such an understanding several times since the meeting between Arnold Kanter and Kim Yong-soon in 1992. They may instead request a change in the role of the USFK. A reasonable alternative I think would be a reinterpretation of

the role of the USFK by the two allies through, for example, the Korea-U.S. joint declaration of security and cooperation that could allow the two nations to harmoniously pursue the two-tracks of the alliance and the peace process on the peninsula.

The change in the role of the USFK, coupled with its reduction and the transfer of operational control, is expected to reduce North Korea's perception of a threat from the U.S., and therefore promote the peace process.

In a similar vein, Korea and the U.S. should work together to make sure that the strategically flexible USFK would not cause security concerns or threats to North Korea or any other nations in East Asia. One reason I link the peace process to the strategic flexibility of the USFK concerns the possibility of war on the peninsula caused by a North Korean misperception that drives from the belief that it is about to be attacked by the U.S. in a preemptive war. The probability of the misperception is likely to increase if the USFK becomes strategically flexible, which to North Korea may mean a transformational of restricted defense forces into more flexible and therefore "offensive" ones.

Arms control constitutes a core of the peace process on the peninsula. But in order to afford it, get off the ground and get moving forward, it needs to be supported by a number of facilitated mechanisms.

One of them is the institutionalized multilateral security cooperation in Northeast Asia. As we have been witnessing in the past several years, the security dynamics in the region have been dangerously driven in major part by the seemingly inextricable conflict between the theories of the China threat and the normal nation, or value diplomacy.

The intensifying arms buildups in China and Japan are most likely to wreak havoc on the arms control effort on the peninsula because it will be simply unsustainable for their domestic political and security reasons.

This is why the peace process is closely related to security cooperation in Northeast Asia. In reverse, and in addition, the peace and stability enhanced by such multilateral security efforts will have positive ramifications over peace, prosperity, and democracy in the peninsula, the region and the rest of the world.

It is important to note that the relationship between Korea-U.S. alliance and the multilateral security cooperation must not be approached from a zero-sum perspective. As implied earlier, the creation of a regional security system based on the concept of cooperative security, void of the military alliance is not likely to receive strong support from the U.S. or Korea, especially given the increasing probability of clashes between expansionist forces in the area and mistrust among the regional powers.

Therefore, a viable alternative would involve the coexistence of the alliance system with a multilateral security institution. More specifically, a Korea-U.S. alliance with the possibility of an expanded role should be adapted to operate in close

collaboration with a multilateral security regime, seeking to prevent crisis and maintain peace and stability in Northeast Asia.

This is entirely possible as the new U.S. political leadership is expected to become more prudent and pragmatic in making and implementing its foreign and security policy.

Korea and the U.S. should take the initiative to galvanize multilateral security cooperation that will accommodate the existing alliance system in a way that prevents crisis and maintain stability in the region.

The Cold War has ended. But the Korean peninsula still remains a solitary island of the Cold War with tensions and great potential for instability. The northern part of Korea is particularly stricken hard by poverty, lack of freedom and human rights, and existing anxieties.

This is not to blame any nation. Korea and Koreans share responsibility for all these. But at the same time, the international society led by the United States should also take the responsibility and make a serious effort in bringing about Korean peace that would in turn contribute to the peace, prosperity, and democracy in the region and the rest of the world as well.

Thank you for listening.

MR. KIM: Thank you, Professor Park. The two presenters have raised all the key issues, regarding the negotiations in Beijing and elsewhere. Our concern, based on their presentations, has been narrowed down to three big issues which are normalization of relations between North Korea and the United States, denuclearization, and permanent peace on the Korean peninsula.

Mr. Wit pointed out that the normalization of relations between North Korea and the United States is the first priority. He didn't specify the sequence but his thesis supports that question. Can normalization come before denuclearization? Where does permanent peace process fit into this whole process?

Professor Park suggested simultaneous exchange of the three events, namely normalization, denuclearization, and permanent peace. It is encouraging for me personally to hear a young Korean scholar to emphasize the continued maintenance of close alliance between Korea and the United States.

You may have many specific questions and comments, but before I ask the two discussants to comment on the papers, I want to draw your attention to a unique and interesting thesis that Mr. Wit raised in his paper which he did not say in his presentation.

He said that North Korea's number one priority is to cultivate better relations with the United States as a counterbalance. This I think is important. As a counterbalance to

potential threat next door posed by China and I want any one of you to comment, to respond to this later on after we hear the discussants' remarks.

May I ask Professor Lee Sang-man to go ahead with your comments?

LEE SANG-MAN: Thank you, Mr. Kim, Mr. Wit, and Mr. Park. I really enjoyed reading your papers. They provided a lot of information about the background and the future, the prospect of the peace process on the Korean peninsula. I am an economist. So I am not very familiar with the political and military issues. So this information is very helpful to understand current situation and policy implications.

And also I think the policy recommendation suggested in these papers is reasonable and very practical.

In these papers, they discussed core elements of the peace process to satisfy the necessity conditions to obtain a peace structure on the Korean peninsula such as normalization between the U.S. and North Korea, peace treaty, and arms control. Those political and military elements, as they suggested in the paper, are the necessary conditions for the peace.

However, in order to ensure sustainable and sufficient conditions for peace, we need to establish the economic foundations between two Koreas.

Professor Park in his paper discussed the importance of inter-Korean economic cooperation for the peace process. I agree with him. I think the mutual interdependence through the inter-Korean economic cooperation will be another basic element of the peace process to satisfy sufficient condition for establishing permanent peace structure on the Korean peninsula.

The mutual interdependence will help to facilitate the peace process and prevent it from going backward. Mutual trust, that is the most important factor for peace process, can be obtained. Not by making agreement on the document but by giving mutual interdependence through human and material exchange.

The expansion of inter-Korean economic cooperation is likely to contribute to the mutual interdependence and mutual trust. So promoting the inter-Korean economic cooperation will play an important role on the peace process of the Korean peninsula.

Therefore, to establish a permanent peace regime in this area, economic cooperation should go together with military and political measures. And economic cooperation should be conducted independently for their own purpose and do not use as a supplementary measure to solve military problems.

Even though in some special cases, for example, we need economic sanctions to solve nuclear issues. But economic sanctions should be completed in a short period of time for a specific purpose. Relying too much on the economic measures to solve the

political and military problems will destroy the long-term foundation of mutual interdependence and mutual trust that required for peace process.

Lately some degree of economic interdependence has been realized between two Koreas. For example, in the Kaesong inter-Korean business site, 22 South Korean plants are operating and 12,000 North Korean workers are now working for the South Korean businesses. If you include their families, 10% percent of Kaesong population (400,000) has been influenced by the South Korean economy.

And now in Pyongyang, we estimate about 35,000 North Korean workers who are involved in inter-Korean business. If you include their families, 5% of the full Pyongyang population (2,000,000) has been influenced by the South Korean economy.

Lately, inter-Korean economic interdependence has been deepening faster than before. Next year, 150 new South Korean factories are going to start operations in the Kaesong business site. That means 100,000 new jobs will be created for North Korean workers to be influenced by the South Korean economy.

And also now in Pyongyang, I know one of Korean businessmen who invests in North Korea. That's a textile factory using natural raw materials that is under construction. If the factory and only one factory opens next year, 12,000 North Korean workers will be hired in that factory. And 40,000 North Korean farmers will provide raw materials to the factory.

So, the expansion of inter-Korean economic cooperation will contribute to the facilitation of peace process through institutionalized relation with North Korea and deepening mutual interdependence and mutual trust. These are the necessary and sufficient conditions that will establish a permanent peace structure on the Korean peninsula.

Thank you.

MR. KIM: Thank you, Professor Lee. May I now turn to Dr. Bush?

RICHARD BUSH: Thank you very much. I am honored to offer a few comments on the presentations of my good friend and former colleague, Dr. Park Kun Young, and my good friend Joel Wit. Unlike them, I am not a Korea expert, so I will not speak from the depth of knowledge and wisdom that they do.

We could have a philosophical discussion of the differences between a peace agreement, a peace regime, and a peace process. I think we understand that to conclude a peace agreement itself does not remove the existing sources of hostility, just as the fact of the armistice itself did not create those tensions. The problem, however, is a set of habits of hostility, mistrust, suspicion, paranoia, and even malevolence, whatever you want to call it. So there is a need to change both the institutional structure – moving from an armistice to a peace regime – and the habits beneath those structures. In designing the

agenda for this Forum, Dr. Haksoon Paik was correct to place the emphasis on process. And the papers do an excellent job of identifying some of the process problems of creating a peace regime.

For example, I wish to endorse Joel's point that doing denuclearization, normalization, and a peace regime simultaneously will be a big challenge for the U.S. government, because of a lack of personnel resources. I would offer the prediction that if it is a big challenge for the United States, it will be a bigger challenge for the DPRK, simply because Pyongyang does not have as much capacity in terms of diplomatic personnel. Does that mean that some sort of sequencing is inevitable, not for reasons of negotiating strategy but because of practical limitations of personnel? Whose preference will take priority? Joel Wit has told us that North Korean officials are asserting that even the declaration of DPRK nuclear programs and the disablement of Yongbyon must await full normalization of relations. Ambassador Chris Hill retains a hope for simultaneity. He has indicated publicly that U.S. willingness to make progress on normalization is contingent on North Korean willingness to make progress on denuclearization. But my main point is that practical problems of process can affect the important issue of sequencing.

Allow me to turn away from process for a moment and to the substance of a peace regime. I wish to report on a recent effort of the Working Group on North Korea of Atlantic Council of the USA. It has recently released a "Framework for Peace and Security for Korea and Northeast Asia." The working group was made of some of America's leading Korea specialists plus yours truly. As my contribution to this morning's discussion, I thought it would be most useful for me to describe some of the working group's recommendations concerning a peace process, which are part of its proposal for "comprehensive settlement on the Korean peninsula" and are rather similar to Dr. Park's and Joel Wit's presentations.

The Working Group recommends that negotiations on other elements of a comprehensive settlement take place parallel to those on denuclearization.

It proposes a four-party (ROK, DPRK, U.S., PRC) agreement to put in place a new, overall political and legal structure for long-term peace and stability on the peninsula. This would end the state of war and replace the armistice. It would outline mutual security obligations, provide security guarantees, and describe stable geographic boundaries between North and South. The proposal suggests as a model, but only where appropriates, the four-party agreement on Germany of 1990. Among other things, such an agreement might:

- formally end hostilities among the parties;
- recognize the sovereignty and territorial integrity of both Koreas and set external boundaries;
- set obligations not to use force or threaten the use of force;
- renounce the manufacture, possession and control of WMD;
- enunciate the need for conventional force reduction and redeployment; and

· provide U.S. and PRC security guarantees to both Koreas, and so on.

The working group also recommended an agreement between the United States and the DPRK to normalize relations and lay the basis for future cooperation. This agreement, or a series of agreements, would address the various issues between the two countries. As we understand, there are several steps that must be taken to fully normalize relations aside from establishing embassies. Some of these are within the purview of the Executive Branch, such as the terrorism list and the trading with the enemy act. Others are in the jurisdiction of Congress, such as a trade agreement and normal trade (i.e. tariff) treatment.

The working group further recommends a U.S.-ROK-DPRK agreement on military CBMs and force dispositions. Some of these were already in the North-South Agreement of 1992 but were never implemented. Thinking comprehensively and conceptually, the working group suggested CBM's that would significantly lower the risk of surprise attack, enhance crisis management capabilities, increase warning time, reduce risk of miscalculation, bolster communications, build trust, resolve disputes, and address the military asymmetry of forward-deployed North Korean artillery and missiles. Taken together, these would help create a more stable, defensively-oriented force relationship. Obviously, there would need to be a body to verify various measures, particularly force reduction and redeployment.

Finally, the working group recommends the formation of a multilateral organization for security and cooperation in Northeast Asia.

This is obviously an ambitious package. Taken together, the various elements plus a denuclearization agreement, if achieved, would transform the Korean peninsula. The idea of proposing a comprehensive settlement certainly appeals to many observers who believe that the Bush administration has never revealed a detailed and positive bottom line. And some would say that is what is most needed in an environment of deep mutual mistrust. But even though I agree with the substance of the recommendations, I've come to have questions about it on the process side. As described, what this package is missing is a sense of how one gets from here to there, or a timetable of implementation. Perhaps this package is a necessary condition for an enduring peace, but not a sufficient condition.

To get the sufficient condition and to come back to process, I would like to return to Dr. Park's presentation. In thinking about what it takes to create a peace regime, we can probably agree that it is necessary, as Dr. Park stresses, to take North Korea's sense of insecurity into account. He suggests that the absence of U.S.-DPRK diplomatic relations and a perception of a hostile American policy work to create that sense of insecurity. He says that remedying those two problems is a "dominant portion" of a peninsular peace structure.

Now the absence of diplomatic relations between Washington and Pyongyang is certainly a symptom of their mutual suspicion. Without the mechanism of diplomatic relations, it is certainly harder to remove those suspicions. More significantly, until the

United States establishes relations with the DPRK and accepts it as a full and legitimate member of the international community, Pyongyang will always have doubts about its intentions. The word "recognition" here has many layers of meaning. But the establishment of diplomatic relations is not a guarantee of friendly, mutually beneficial relations. On the question of the hostile policy I, for one, am in doubt that North Korean leaders will be able to wake up one morning and say to themselves, "The United States has abandoned its hostile policy and has done so once and for all." As an aside, I for one don't think Pyongyang should have the sole right to decide whether American policy is hostile or define the issue of our relations in those terms.

Dr. Park's focus on the DPRK's sense of insecurity should lead us to ask more specifically what the underlying cause was. Was it an accurate belief that the Bush administration was going to destroy the regime? Or, to be more balanced, was it the result of a situation where the two sides had mutually exclusively malevolent objectives towards each other? Was Pyongyang's sense of insecurity, on the other hand, a total misperception, based on the vagaries of Pyongyang's decision-making system? Were both governments the victim of their misperceptions? Was North Korea's sense of vulnerability the result of an interactive process in which both it and the United States read the worst into each other's capabilities and intentions, took defensive counter-measures, and soon created a vicious circle? Or was it that both Washington and Pyongyang constructed images of the other – "evil" and "hostile" – and that those images themselves then constrained policy and created vested interests for power centers in each government? Or was it somehow an eclectic mix of some of these?

International relations specialists in the audience will note that I am suggesting different theoretical approaches to explain the nature of the dispute. I won't bore the rest of you by going into the details. I would only say that if there are competing explanations or a combination of explanations for North Korea's insecurity, then there will have to be a tailored way to reduce that insecurity in order to create an enduring peace. Moreover, it is also my hunch that whatever is the source of North Korea's insecurity about the United States – and Washington's insecurity about Pyongyang – it cannot be remedied by a grand bargain that puts on the table all at once even the most brilliant substantive package and requires a decision once and for all.

So the answer really is process, a process of building mutual trust step by step and addressing whatever the forces were that created the sense of insecurity in the first place. Old habits and ways of thinking die hard. It will take time to eliminate them. And because it will not be possible to build a peace structure overnight, institutions can help to create, embed, and structure habits of cooperation.

What I am saying therefore is that we cannot expect good substantive ideas on their own to drive process of creating an enduring peace an environment of mutual mistrust. The process drive will have to drive substance. In a similar way, Bob Einhorn's paper rather brilliantly illuminated how hard it will be for Pyongyang to gain the confidence to give up its nuclear weapons right away and once and for all.

In such a situation, where grand bargains are not the whole answer, the way to create a lasting peace is to build trust incrementally in a mutually reinforcing way with a goal in mind. Again, the idea of process is key. Ambassador Hill is aware of this. He knows on the one hand that a step-by-step process will not work without having first identified a destination. For him, the September 19th joint statement of principles is that destination. In his strategy, every step that is taken toward that goal will create self-sustaining progress, and that his negotiating partner will, as he puts it, say after every step, "well, this is better than we were yesterday; let's move on." This is why Chris Hill is such an effective diplomat.

So Paik Haksoon was correct to emphasize process when he picked the title of this session. There must be good substance in creating an enduring peace. There must be a destination. Without substance, there can be no process. But in an environment of deep mutual mistrust, process must also drive substance. It is also process that will build the peace.

MR. KIM: Thank you Dr. Bush. Among the four presenters and discussants, three of them placed an enormous emphasis on the importance of normalized relations between the United States and North Korea as a condition for denuclearization and particularly for permanent peace process.

I guess there are many comments, specific comments and questions from the floor but before I proceed to the full-fledged discussions, I want to ask Mr. David Straub to comment or respond to Mr. Wit's very intriguing thesis that North Korea is craving for normalized relations with Washington as a counter-balance to the potential threat posed by China. But please be brief.

DAVID STRAUB: Thank you, Mr. Kim. I thought both of the papers and the discussions were excellent.

Joel, as Mr. Kim said, in your paper you said that you believe that Pyongyang's number one priority is to cultivate better relations with Washington as a counter-balance to the potential threat next door posed by China. Could you talk a little bit more about that? Why do you believe that is an alternative theory that the North Koreans may not necessarily believe that or have that concerns themselves but regard that as something that might appeal to the United States in terms of getting the United States to have a peace agreement with them on their terms?

And maybe a relating question: Professor Park mentioned that another insecurity of North Korea is Japan. So there's even a broader issue here which would not really discuss very much. We sort of focused in this conference as in many debase about North Korea, about the U.S. threat as perceived by North Korea.

But logically, in addition to the U.S, there are possibilities of China, Japan, and the Republic of Korea. So if Joel could say something about China and if anyone else want to talk about any of these other factors that would be interesting, too. Thank you.

MR.WIT: I got to say that I am a little surprised that people find this to be an astounding thesis because for me, it is just kind of a common sense. And everyone understands that North Korean-Chinese relations, to some degree, are a friendship of necessity. If you talk privately with North Koreans, they will express somewhat different feelings about China.

But my most recent encounter on this front was when I visited North Korea. It was very clear that senior North Koreans officials were talking about this desire for strategic relationship with the United States. One of the reasons of course they gave was they are little queasy about being next door to a big country like China. So this is classic kind of balance of power thinking.

There is another side to this issue which is, of course, does the United States want a strategic relationship with North Korea? We had a little discussion about this last night at the dinner table and David was making some good points, which is, I don't think the United States is really that interested in having that close a relationship with North Korea.

So at the end of the day, I think, it would end up somewhere in between that we would have better relations but maybe not as close relations as the North Koreans might desire.

MR. KIM: Thank you, Mr. Wit. The status of the relations between North Korea and China is always an important issue for us Koreans. And I think it was last year, Kim Jong Il told foreigners who were visiting, maybe Americans, that he dislikes China. That is why your thesis seemed more intriguing to me. Anyway that was an important side dish. Now to the main dish. And the floor is all yours. I want as many comments and questions as possible. We have a full one hour which is sufficient time for extensive and intensive discussions.

Yes, Ambassador Sun?

SUN JOUN-YOUNG: First of all, I would like to thank our two distinguished presenters and discussants for their interesting presentations. I have one question to Mr. Joel Wit. I know that it has been made clear by the United State that establishing peace treaty of the Korean peninsula or establishment of any peace regime beyond the Korean peninsula, presupposes the resolution of the North Korea's nuclear issue. I fully understand that. How could you explain the differences of declaration of termination of war and peace treaty, in terms of their respective impacts on the armistice agreement, DMZ, and the raison d'etat from the United Nations Command based in Seoul? Thank you.

MR. KIM: I will take two more questions before our presenters respond. Mr. Einhorn, please.

ROBERT EINHORN: Thank you, Mr. Kim. I actually have two questions myself

to anyone who wants to answer. First is about the peace arrangements. They presumably will recognize the sovereignty and territorial integrity of all participants including naturally North Korea. What are the implications of that for eventual reunification? Will North Korea pursue peace arrangements that tend to entrench the DPRK as a sovereign entity? So will that have a negative implication for reunification?

Second question has to do with the U.S. forces on the peninsula. Now the U.S. and ROK may wish to ensure that no peace arrangements preclude the continuation of the U.S. forces on the peninsula. But the DPRK, at least publicly, takes conflicting positions on that. Its propaganda emphasizes the importance of removal of the U.S. forces from the peninsula. But there are number of private discussions including by Kim Dae-jung, by Madeleine Albright, that suggest that the North Koreans would have no difficulty with the U.S. forces on the peninsula even after reunification, not to mention after permanent peace arrangements are established. I wonder if anyone of the panelist could comment on these two issues.

MR. KIM: Mr. Winder?

MR. JOSEPH WINDER: Thank you very much. I would like to join other colleagues in commenting both presenters for their excellent papers. I particularly want to comment Dr. Park for presenting a view of the peace process that has no single component to it as a central or key but rather a number of them including normalization the U.S.-North Korean relations, North Korean nuclear program, arms control on the Korean peninsula, replacement of the armistice for the peace treaty.

And I might say, and I might add to those normalization of North Korea-Japan relations, the Japan has come up with only tangentially, it is hard to conceive of a peace regime on the Korean peninsula that does not include normalization of North Korea-Japan relations as well as some sort of a treaty or relationship agreement between North Korea and South Korea. So that is one point I want to make, there are number of elements and preconditions to a peace regime.

In addition, some of our colleagues yesterday made some other points. Dr. Lim Dong-won in his introductory remarks said “what I straightforwardly reject is establishing a peace mechanism that sustains the status quo on the Korean peninsula.” This means that Koreans themselves should first come up with a peace regime of their own initiative. Dr. Paik Haksoon made the point that North Koreans and South Koreans are still competing for both legitimacy and power on the Korean peninsula. Two more factors to be thrown in to the pot.

What I am seeing here is a series of very complex equations that need to be solved simultaneously. How one can possibly do that? But that doesn't obviate a need to try.

But my fundamental question is more or less the same as Bob Einhorn's. Where does this lead to reunification to the extent that any peace regime is permanent? Does it entail U.S. recognition of North Korea as a sovereign entity and North-South Korea

recognizing each other as sovereign entities? How does that affect reunification?

MR. WIT: I think you asked a good question. And I have to be honest in front of you all that I am not sufficiently familiar with all the nuances and legal issues involved here to give you a good answer. So I am not even going to try to fake it. That is what I am saying. And there are of course people here in the audience who would probably give you a much better answer than I could such Ambassador Hubbard or David Straub. So I would encourage you to ask them about that.

MR. PARK: I am not going to address his question. Instead I will try to address all the questions raised to me in a collective way to save time.

One impression that I get whenever I have conversation with American friends is that the U.S. seems to view the normalization of its relations with North Korea as some sort of compensation to North Korea. I think this perception is in part created by the North which has considered normalization as critical evidence that the U.S. would no longer be hostile to North Korea.

But I think we should look at the other side of it. Washington, I think, will find that the normalization will bring great advantages in various dimensions. One of the examples is related to the verification of the WMD. Many experts have suggested that it is extremely difficult for outsiders to conduct verification on WMD, especially if it is a uranium-related program, because it is clandestine.

The more foreigners travel and stay in North Korea, the more opportunities arise for thorough inspection and verification on secret programs of dangerous weapons. I often take example, the case of Korea. Couple of years ago, South Korea announced that it had conducted an experiment to get some nuclear material. One of the reasons why the international community caught that was that Korea was an open society. What I am trying to say is that 100% verification of North Korea's WMD is impossible, unless North Korea is open to the international society. Normalization between the DPRK and the U.S. will make that happen.

As for the sequence of the deal, I think Richard Bush made a reasonable point that the fundamental problem that lies between North Korea and the United States is the mutual distrust. Therefore, the sequence should be simultaneous. It is a very common kind of approach.

And another point that needs to be made in this regard is that normalization offered by the United States to North Korea is reversible. If North Korea cheats on the peace treaty for example, if North Korea cheats on the promise it made with the United States, all the process could be rolled back.

When the United States cheats on its promise to North Korea, it’s much harder for North Korea to reconstitute what they had at their nuclear facilities. So I think it’s more advantageous to Washington to do the normalization than it would be for North Korea.

MR. BUSH: The question of the relationship of the peace agreement or the peace regime to reunification is very important one. I personally sort of associate with myself with Chairman Lim's view that it should not be allowed to freeze the situation. Of course, there are political unions that are made up of sovereign entities. So if the effect of the peace regime is to recognize and affirm the sovereignty and territorial integrity of both the DPRK and the ROK, that in theory does not rule out a union between them at some future point if there's a political will to do that. Some sort of Korean confederation, as the European Union is in terms of political organization, a confederation made up of sovereign states. So from that point of view, there is nothing to say that two sovereign Korean states could not choose to form a Korean union. I have no doubt that there is enough creativity on this peninsula to create such a union. The issue would be more one of political will.

MR. WIT: Thank you. Just two quick points. Just to add on what Dr. Park said. I think he is right that in the best of all possible worlds, we Americans shouldn't consider normalization with North Korea as some sort of a reward. But the fact is, we live in a real world and I think it is a political reality in the United States that normalization with North Korea is considered a reward.

That doesn't mean that it has to be withheld to the end of any process and, indeed, as people discussed yesterday, a process of normalization can stretch out over time. And so for example, establishing diplomatic relations could happen at the beginning of that process and establishing diplomatic relations doesn't mean sending an ambassador. It means maybe opening a liaison office.

But any of that has to be coupled with progress on other fronts, in part to give whatever American administration is pursuing that course of action that political cover needed to continue to move forward.

Second point on open society and verification of the WMD: some people might be thinking that it is not going to matter because North Koreans are not going to let foreigners visit nuclear weapons sites. To some degree, that is true. But let me give you an example where the open society could help with verification of a future agreement. And that is presumably down the road, there may be some residual peaceful nuclear capability left in North Korea the end of the day after its nuclear facilities are dismantled, its weapons are shipped out. We are still going to want to make sure that those civil nuclear activities are peaceful. So for example, during a recent trip I and my colleague took to North Korea, we visited an institute where they did peaceful nuclear research and they produced isotopes for medical, agricultural and industrial use. And they allowed us the full access to their facility because they were interested in scientific cooperation with the outside world. So that's an example where openness might give added assurance in the future that nuclear activities are really peaceful and not being used for any other purpose.

MR. KIM: Next question? Ambassador Hubbard?

THOMAS HUBBARD: Since Joel volunteered my name a minute ago as someone who might have answers to Ambassador Sun's questions, I am compelled to say something. And I guess one of my answers is that American diplomats always take their lawyers with them when they do negotiations. Joel, you will remember in the negotiations that led to KEDO, we were always armed that way.

But what we discovered as we went along is that creativity is the name of the game. In the final analysis you can create the kind of documents that you need to carry out your purposes if you can find the mutual trust and interest in moving ahead. I think the Agreed Framework was an example of creativity that was, I would judge, more than partially successful but not completely successful. I think I have spent as much time with the North Koreans in the earlier 1990s in the period up to the agreed framework as anybody else. And I guess one of the things I learned is simultaneity is always very desirable particularly since the North Koreans always rejected anything that smacks of conditionality. But simultaneity is very hard to attain and often it's in the eye of the beholder, when you have as many players as we have on the Korean peninsula, it is very hard to get that.

Another thing is, I believe that complexity is the enemy of a good agreement. You want to tie it all up, you tried to tie it all up, but you can really get balled up if you do so and run into differences over priorities and timing and all that. It is a very difficult process and the broader you make the more difficult it is.

There has been a lot of talking about the liaison offices as one step along the process. I haven't been involved in the recent rounds of negotiations with the North Koreans but one thing I learned in the 1990s is that the North Koreans are not interested in liaison offices. It has disadvantages for them of having official foreigners running around the country without having the advantage of diplomatic recognition which is something that the North Koreas want and that is one of the reasons that it has come to be seen as a reward. I personally would rather try to use the diplomatic recognition as part of creating the atmosphere of trust that you need to actually get into an agreement but it is hard to do when the North Koreans play the way they do.

LIM DONG-WON [in Korean]: I appreciate all of your remarks regarding my opening speech that I delivered yesterday. I would like to note a couple things in relation to that. The purpose of establishing a peace regime is not to prolong the division of the Korean peninsula. Rather it must be seen as a regime that aims for reunification. During the summit between North and South Korea in the year of 2000, both leaders have agreed to recognize the 'peace regime' as a purpose and a process. They agreed that speedy reunification is difficult to achieve in reality. So what we need to do prior to reunification is to establish a de facto unification and cooperate in the course of forming a peace regime on the peninsula. In order to do so, it is vital that we form a Korean Confederation and legitimately institutionalize it. The second point that I want to make is that North Koreans believe the normalization of its relations with the U.S. is a key factor for their regime survival. This became North Korea's strategic decision after the fall of the Soviet

Union and the end of the Cold War era. And lastly, I thought the Atlantic Council report mentioned by Dr. Bush contains good information and offers a useful guide for solving problems which we all should take note of.

MR. KIM: Yes, sir?

CHUN IN-YOUNG: Thank you, Mr. Chairman. My name is In-young Chun. My question goes to Dr. Wit. You mentioned about flesh and bone yesterday rather than focusing on Plan B. According to the paper, you stated your view that President Bush's visit to Pyongyang might be a good idea. I would like to know the basis of that view. Is it based on your conversation with the North Korean high ranking officials? Or is it your own view? I understand that former President Reagan visited the so-called 'evil empire,' the former Soviet Union.

MR. KIM: Yes, the gentleman at the back?

QUESTION [in Korean]: Thank you. Could any one in the panel share some of your thoughts about the issue related to the peace regime and the wartime operational control? Because I think these two issues are intertwined with each other very closely.

MR. PARK [in Korean]: North Korea has never wished to talk about military issues with South Korea, because the South did not have full authority or the wartime operational control. However, if South Korea does finally gain authority over wartime operational control, then it would have some leverage over the North Korean issues. Another point that I want to make is that in order to maintain a more peaceful peninsula, the role of the USFK should not be defensive nor offensive, but must rather seek ways to bring peace and stability on the Northeast Asian region.

MR.WIT: I apologize. I didn't quite hear your entire question but I think I heard most of it. I believe what you are referring to was the talk I gave yesterday and the title "Why President Bush should visit Pyongyang." To be honest, I was asked to come up with a title that would draw an audience and I couldn't think of anything better title than that to draw an audience in South Korea. And so of course, I don't think President Bush is going to visit Pyongyang, but what I was trying to communicate was that the idea of an American president visiting Pyongyang—and indeed President Clinton considered that—reflects the issue of normalization of relations. Can you think of anything more suited to normalize relations than an American president visiting North Korea? That's of course one particular way of normalizing relations. There are a lot of other ways of normalizing relations that we have talked about that fall short of that ultimate step. I didn't mean George Bush should go to North Korea. I think he should but he is not going to. However, normalization of relations is critical as far as I am concerned in achieving a solution to all of the problems that are facing us. I hope that answers your question.

QUESTION: My name is [inaudible]. I am from the Combined Forces Command. I just want some clarification. What is commonly referred to—in I think overtly politicized terms—as the transfer of wartime OPCON, just to add the point for

clarification, is more accurately dismantling of our current agreement which we had since 1994 in which both the United States and the Republic of Korea transferred OPCON of their national forces to a bilateral command. So the idea that Korea is regaining something or taking something away is somewhat inaccurate and misleading. What they are really doing is saying 'We are no longer in a crisis. We are going to provide forces to CFC.' But OPCON does reside with Republic of Korea and the international command authority today.

MR. SUN: I have a question and comment for Dr. Bush. You made a very good point that there is asymmetry in the six-party process and that North Korea's key military capability would be eliminated But the U.S. power projection capability would not be affected by the six-party process. I was wondering whether you are making an observation or does that observation have a policy implication in terms of addressing asymmetry? That is my question.

A comment that I want to make is regarding to sovereignty and territorial integrity on the one hand, and reunification on the other. It seems to me that you can expand the notion of sovereignty from Westphalian to popular sovereignty and just make a provision that territorial integrity could be compromised if there's a popular will that would change the territorial orders because in the German case as well as in the case of China and Taiwan for instance, you can go for that sovereignty instead of Westphalian notion of sovereignty.

MR.BUSH: Thank you very much for your questions. As usual, it is quite stimulating. On the second question first, raising the issue of popular sovereignty is a very good one, and points to the differences in the two systems, the North and the South of the DMZ. I would also note that it is my understanding—and I don't know if I am correct on this—that the constitutions of the two systems, the DPRK and the ROK, have sort of mutually incompatible definitions of what the territory of the Korean state is and that has to be reconciled.

With respect to the first question about the asymmetric bargain that is being sought in the six-party talks: specifically the five are asking North Korea to give up its number one capability, nuclear weapons, in an irreversible way, whereas the United States’s power projection capability would remain. It does raise an interesting question or implication. One implication is that the asymmetry and bargain is so bad for North Korea that in the end it would not give up its nuclear weapons. Because the risk would be simply too great. If its sense of insecurity is so profound, then it may not be willing to live in a region where the U.S. power projection capability still exists. I hope not, but that's one implication.

Another implication is that it would seek in some way, during the negotiations, to raise the issue of the U.S. capabilities in addition to getting a security guarantee a statement of the U.S. intentions. That's possible. Another implication is that it would not give up all its capabilities in complete, verifiable, and irreversible way. That's conceivable as well.

I have no answers for any of these sorts of hypothetical implications. I just know that they exist in a hypothetical way. Thanks for allowing me to mull over them.

MR. PARK: I would like to add one thing to what Richard Bush has just said. I think it is important for the United States and the rest of the world to change the identity and value held by North Korea in order for us to see the really changed North Korea. North Korea has now a nuclear capability and in case North Korea views that it need to have nuclear weapons, it can have it in a quick way. So the fundamental solution to the North Korean nuclear problem is to change North Korea's values and identity. And I think the best way for us to do it is to have more interactions, more contacts with North Korea. So that they can really change.

MR. KIM: Other questions? Yes, please.

DAE-SUNG SONG: The ultimate purpose of the six-party talks is to persuade and encourage North Korea to dismantle its nuclear weapons program. If the United States seeks normalization in relations with North Korea, what would be some of the political implications in this regard? Do the changes in relations lead to a different approach to North Korea’s dismantlement of nuclear weapons?

MR.WIT: I think your question reflects the discussion we started to have yesterday about how the United States might accept a nuclear North Korea if our bilateral relationship was better or if we were friends. I kind of got confused by this trend of thought here because like Bob Einhorn, it is hard for me to conceive of any U.S. administration accepting a nuclear North Korea. It is just not in the cards. The objective of the normalization in my mind— I am sure in the minds in some people in the Bush administration and in the mind of other American experts— is the 100% dismantlement of North Korean's nuclear weapons program. Now when I am saying 100% dismantlement, let me add that I am talking about North Korea's nuclear weapons program. There may be in the course of reaching an agreement, some allowance for North Korea to maintain some civilian nuclear program for peaceful purposes. And I think that can be structured in a way that gives us assurance that is not being used for nuclear weapons.

But just to return to the original point, I don't know any American expert, any American official, Democratic or Republican, independent; you name it, who is willing to accept a North Korea that has nuclear weapons. And so I am a little bit startled by this trend of thought here. But nevertheless, I hope that all of you understand that we as experts find this a little bit shocking.

MR.BUSH: I would agree with that. I think the goal remains 100% dismantlement. Our policy makers know what they mean by that. These two objectives of dismantlement and normalization are like a cart being pulled by two horses. And the cart can't go very far if one of the horses stops. Both horses have to keep going together simultaneously.

MR. KIM: Questions? I don't see any hand rising. So I want to ask a question to my American colleagues. This has been partially answered but being a journalist, I want to ask a journalistic question in connection with when normalization of relations between North Korea and the United States can take place. My question is, can the normalization come before final dismantlement of North Korea's nuclear program? As Dr. Bush said, in CVID way? Can the American public and Congress swallow the spear? Is it too bitter to swallow for the public and for the Congress?

MR.WIT: There are two points. First of all, I just want to correct part of your question. When we say complete dismantlement, IAEA means complete dismantlement of its nuclear weapons program, not of everything related to nuclear in North Korea. That I think is different from the CVID. Secondly, I think this was sort of discussed yesterday; normalization is a process just as dismantlement is a process. And I think Richard just said that. So there are steps, there's a road map of normalization that will be keyed to steps in the denuclearization process. So along the way, before you have final dismantlement, there are intermediate steps on North Korea's part that lead to final dismantlement. And there will be intermediate steps on the U.S. part that lead to complete normalization. And I would add that along the way on this road map, at least from the North Korean perspective, the steps on both sides should be irreversible.

MR. PRITCHARD: I tend to agree with both Richard and Joel. The path towards both complete denuclearization and complete normalization is going to be a long path. And we have seen over a number of years in dealing with North Koreans. It is one in which requires actions for actions. It is a sequential series of steps. And as Joel has pointed out, you can have both sides committed in advance to both denuclearization and a full normalization of the process. But getting there is going to require implementing action steps along the way and the final steps will not occur full normalization and full denuclearization into the very end. But that doesn't mean that you are not on a path that both sides have agreed to and both understand where the outcome will be.

MR. PARK: I want to add one more point to Mr. Kim's question. I don't think it is possible for us to see 100% dismantlement of the North Korea's nuclear programs. I can say that it is possible 100% dismantlement of the existing nuclear programs. But North Korea, after the dismantlement of its existing programs, still remains nuclear-capable. Japan has no nuclear weapons. But it is, I think, in fact nuclear-capable. What's important is the relationship. The fact that Japan is nuclear-capable is not threatening to the United States and to the rest of the world. But the fact that North Korea remains nuclear-capable is a threat to the international security. So it is important for us to understand that the international society needs to change the identity and the values of North Korea to improve the bilateral relations between the U.S. and the DPRK through normalization.

MR.BUSH: Jack talked about paths towards normalization and path towards denuclearization. I would just point it out that both of those paths lead to the door of the President of the United States. And he will have to be happy with the decision, with the proposals that are made on both of those issues. And I expect that he will be asked to approve both of those proposals at the same time.

MR.STRAUB: Thank you. North Korean vice Minister Kim Gye Gwan in January reportedly suggested to Ambassador Chris Hill that the U.S. should treat North Korea like India. In another words, the United States should accept North Korean nuclear weapons in exchange for strategic cooperation with the United States. And other people have suggested that possibly North Korea has also looked into the cases of Pakistan or Israel in thinking that someday the U.S. will accept North Korea with nuclear weapons. If anyone could talk about how North Korea is similar or differ from these cases, that would be interesting.

MR.KIM: Thank you very much. We have reached the conclusion of the first session of Day 2. In conclusion, I want to refer to Chairman Lim Dong-won's remarks yesterday made in his opening speech. He said, and I agree with him, that peace is a process as well as a goal. Therefore, every step forward in peace talks is important and every step backward will live in the peace that we have achieved as of today. I want all of us to keep this in mind and take our time and our effort to achieve permanent on the Korean peninsula. I thank the two presenters and the two discussants and all the participants in the discussion and I thank you all for the successful discussion of this session.

Thank you very much.