THE BROOKINGS INSTITUTION

CENTER FOR NORTHEAST ASIAN POLICY STUDIES

FAILED DIPLOMACY

THE TRAGIC STORY OF HOW NORTH KOREA GOT THE BOMB

A book launch co-sponsored by

The US-Korea Institute
SAIS, Johns Hopkins University

The Korea Economic Institute

Washington, D.C.
Tuesday, July 11, 2007

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P R O C E E D I N G S

DR. BUSH: Good morning. How are you all doing? Thank you all for coming. We are here this morning to celebrate the publication of this book *Failed Diplomacy: The Tragic Story of How North Korea Got the Bomb*. The author of this book is the Honorable Charles "Jack" Pritchard who for more than 2 years during the George W. Bush administration was the Ambassador and Special Envoy for negotiations with the Democratic People's Republic of Korea, and the United States representative to the Korean Peninsular Energy Development Organization.

The Brookings Institution was very proud to be the publisher of this book. We are very pleased today to be one of the organizations to sponsor this event, and we are very pleased that so many people came today on a hot summer's morning to hear Jack Pritchard talk about his book.

The other organizations that are the sponsors of this event are the U.S.-Korea Institute of the Johns Hopkins School of Advanced International Studies, and Don Oberdorfer, the chairman of the institute, will have an important role a little later in the proceedings. We are very grateful to SAIS for providing this wonderful space this morning. Brookings is in the process of renovating its major venue spaces so we were not able to do the event across the street. The other sponsor is KEI, the Korea Economic Institute, of which Jack Pritchard is the president. Speaking for Jack and for Brookings, I would also like to acknowledge the generous support of the Japan Foundation's Center for Global Partnership for this project.

Let me say at the outset that there is no truth to the rumor that we knew when we scheduled this event for this morning that North Korea would over the weekend shut down the Yongbyon reactor, and there is no truth to the rumor that we knew that within about 12 hours from right now that there would occur a meeting of the envoys of the Six-Party Talks in Beijing. But we don't care.

(Laughter)

DR. BUSH: If it helps bring you to this event, it's good. And without further ado, I give you Jack Pritchard.

(Applause)

AMB. PRITCHARD: Thank you very much, Richard, and Don. I appreciate the opportunity to be here. As you may know, this book took a little while to write, and as you're writing something that is fairly contemporary, you are always afraid that when you finish writing that something else is going to happen. That something else continues to happen. It happened along the way. I was doing rewrites and I was adding things as the publisher was going to press. So there is even mention of the February 13

agreement in the book in a couple of places. In the epilogue I talk about it and I also talk about it in one of the other chapters to a very small degree. Perhaps Richard did not realize that things would happen like this, but I think I knew perfectly well what was going to happen.

(Laughter)

AMB. PRITCHARD: Let me start out by telling you what this book is about, and that is, it is about accountability. I wish I did not have to write it. I wish we were not in the position we are today where there is gathering in Beijing in the next couple of hours six parties trying to walk back the North Koreans' nuclear program that is out of the box and until this weekend, unmonitored. That is not the situation that we found ourselves in in 2001. So this book I hope is a contribution of how U.S. policy under the Bush administration was developed, what went wrong, and where we are today.

By the title, I think you can figure out what I think about the six-party process. It has failed. By all accounts it has failed. It has specifically failed under the leadership of George Bush. To be clear, North Korea is absolutely responsible for its own actions. The United States did not fire long-range missiles on the Fourth of July, interrupting our CNN coverage of the Space Shuttle. It did not detonate an October 9th nuclear device. But I contend that the United States as the superpower that it is has the ability to lead, to steer, and ultimately to decide the outcome of events such as this.

So let's take stock of what do I mean by failure. You have to have criteria to measure it. Are the United States and the region safer and better off today than it was at the beginning of 2001? The answer is clearly no. What has happened since then I think you all know, but let me just review the bidding so you understand clearly what I mean by failed.

In early 2001 the North Koreans' plutonium program was essentially under the Social Security lock box. Nobody was getting at it. The IAEA was monitoring. We had Department of Energy technicians in and out of North Korea. KEDO had an ongoing dialogue with North Korea. There was movement toward the ultimate resolution and disposition of their nuclear program as we knew it at the time.

What has occurred because of the administration's actions, what the North Koreans have done, and where we take stock today is the North Koreans in a short period of time as you are all well aware kicked out the IAEA monitors, turned off the cameras, unsealed the facilities, restarted their 5 megawatt reactor, withdrew from the NPT, took their spent fuel out of the pond, unsealed the Department of Energy canisters, and reprocessed those spent fuel to create about six bombs' worth of plutonium, all of which they told us in advance they were going to do. And they did it not once, but they did it twice. So by all measures, we have failed in our policy toward North Korea to make the United States safer and to improve on the situation that we had in 2001. How did we get

there? And why is there a sense of hope in these Six-Party Talks that are taking place now?

The answer I think that I outlined fairly well in the book is that at the beginning of the Bush administration there was a significant split in how people viewed North Korea and policy development. We have Tom Hubbard here, and Tom was an integral part of that early development of North Korean policy, one of which was I joined the administration, and I think Tom said, "Thank goodness you're here. I'm leaving," and he took off to Manila. And I thank you very much for that, Tom.

(Laughter)

AMB. PRITCHARD: But structurally, and if you take a look at the book, what I have tried to do is lay an outline of how and why the administration functioned for about 5 years in the way it has. That is that it developed an ability to create a two-track approach to North Korea both systemically and philosophically within the administration. They had the ability within what I would refer to as a hard-line camp in the administration to guide the policy, and to subvert the policy when it was going in a direction where they did not want it to go. These key members stayed in this hard-line camp, and I name them in the book and I will be glad to talk about them here now, because it goes to the heart of what has changed now and is there room for improvement, and the answer is yes. Let's take a look at the players involved.

The vice president, a good deal of his staff, the NSC staff under Bob Joseph, the Pentagon under Secretary Rumsfeld, Douglas Feith. Within the State Department, John Bolton. Later at the White House, J.D. Crouch, the Deputy National Security Adviser. Key members of the administration who had been key players throughout the first and second terms.

What has changed I think you all know starting with the November election of this past year is a change in the control of the U.S. Congress from the Republicans to the Democrats, the departure and firing of Donald Rumsfeld, the departure of John Bolton, the departure of Bob Joseph, the departure of Doug Feith, the departure of J.D. Crouch, all those key members who have played an absolute influence on how that policy was run for the first 6 years are gone. So you see an opportunity that was taken by Chris Hill with the approval of the president beginning in the November-December timeframe, and we can get into that discussion a little bit later. But that is the key difference. There is for the first time an opportunity for diplomacy to run its course, and I wish it well.

Let's get back to the policies under the Bush administration. When you create this bifurcation of a policy, when the State Department and others are recommending a direction and there is an open discussion and there are decisions that are being made that are later undercut through the back-channel network of these people that

I have talked about informally and without the knowledge of key people, as you may recall Powell's chief of staff, Larry Wilkerson so eloquently described, a cabal, that took private action to undermine and reverse courses of action that had previously been approved in a transparent and public manner. What I would like to do is give you a sense of some anecdotal information that is in the book of the development of this policy and some of the problems that were associated with it.

As an example, when we began the process of trying to create a policy in which the Bush administration would engage North Korea, it was done with the full anticipation in which we would be talking bilaterally with the North Koreans. But we were sending mixed signals rhetorically, publicly and privately, to the North Koreans and to our friends and allies in the region. The President of the United States takes responsibility for his public rhetoric as well as he gives interviews and as he talks about how loathsome he believes Kim Jong-Il is. What I say in the book and I will repeat here, most of that characterization is probably correct. I do not challenge it. But whether or not it belongs in the public domain and whether or not it promotes the policies and the security of the United States I do take umbrage at.

So when you take a look at what was occurring when we were trying on the one hand within the State Department and others to engage the North Koreans, there was a great deal of noise going on in the background saying we don't want to: meeting with the North Koreans is rewarding bad behavior. That is a refrain that we have heard over and over again, and it served no useful purpose.

There are a couple of incidents that I think most people are interested in. I have detailed them in the book. The first that led to the second crisis I think is worth pointing out because that is the thrust of where we are today and why we are where we are today. That has to do with highly enriched uranium. We had made arrangements to meet with the North Koreans on July 10, 2002, to talk about what was then the second review process, the bold approach that the president had outlined, where we expected more from the North Koreans and where we were going to demand more from the North Koreans. But two things occurred. First, there was a West Sea incident in which North Korean patrol boats sank a South Korean patrol boat, leaving about five or six South Korean sailors dead. Secondarily and most importantly, the U.S. intelligence community came up with a new assessment about North Korea's highly enriched uranium program. I cannot go into the details of what it was, I do not intend to do that, but I want by way of comparison as I have done before to say that as a career military intelligence officer prior to assuming over the last 20 years things that I have done in the security and diplomacy world, that it is my assessment and those of the colleagues that I dealt with in the intelligence community at the time that that was solid information, and I have seen, and while I do not have access to it, nothing has changed my mind. There is reasonable public information that has been confirmed by President Musharraf through the dealings of A.Q. Khan that North Koreans received a certain number of P-1 or P-2 centrifuges from North Korea, and that there were additional acquisition activities on the part of

North Korea that would have contributed to the eventual development of a program. When this information became clear as to what was going on and the potential scope of it, it became impossible for the administration, and I agreed with this, to proceed to travel to Pyongyang on July 10 and say everything is fine, we would like to proceed with this bold approach whose end game is a more normal relationship with the United States.

We took advantage of the West Sea incident, and without informing the North Koreans about our suspicions about highly enriched uranium pulled the plug on that meeting because of the West Sea incident. As we began to put together how we would approach the North Koreans about the highly enriched uranium program, it became apparent we needed to get back on track, we needed to have a vehicle, and we needed to have a meeting in which we could bring this to the North Koreans' attention.

But we needed to rehabilitate the atmosphere and that was done in a couple of ways. First of all, we had to create an opportunity for the West Sea incident to get behind us and that came really without the knowledge of most anybody through a conversation that I initiated with the North Koreans in New York with Li Gun and suggesting to him as the North Koreans had done in late 1996 when they issued an apology for the submarine incident that you may recall, that the North Koreans needed to take the initiative. And while the North Koreans said they could not apologize, we came up with another formula in which they then publicly to the South Koreans expressed a regret over the loss of life. That enabled the South Koreans and the United States to move forward.

We then next had to engineer an opportunity on the behalf of Secretary Powell for a meeting between him and Foreign Minister Paek. This occurred in Brunei on the margins of the ARF. That did not just happen. We clearly had to engineer through the use of the North Koreans in New York and through sending trusted diplomats from the State Department to Brunei to organize this chance meeting between Powell and Foreign Minister Paek. That did occur.

The third element in place was to get me to the concrete pouring event at Kumho. We needed to create a sense of normalcy. As you may recall, the United States under the agreed framework was required to provide two light-water reactors to the North Koreans and it was done through a consortium known as KEDO, the Korean Peninsula Energy Development Organization, of which at the time I was the U.S. representative and a board member. I was scheduled to speak at that ceremony, but there was great objection to that because it was going to be seen as a celebration, and how could be celebrating at a time when we had concerns about the North Koreans' secretive alternative route to a nuclear weapons program through highly enriched uranium. We harkened back to the type of on a very small scale the Cuban Missile Crisis, that you have to create a sense of normalcy. And it was finally through the good efforts of Tom Hubbard talking I think directly with Secretary Powell as he was coming back from Brunei that I was given a green light by Powell one hour before my scheduled departure.

Up until then I was on hold. But I did go and I did speak. It was reported correctly. There was no flap on that. And as a result we were able to get back on track and set up an alternative meeting on October 3, 4, and 5, the details of which are in the book. I will not expose them all, so you will have to get the book and read it, and I will move on to a couple of other incidents here to give you an idea of what we were faced with in trying to develop the diplomacy.

One event that struck me as particularly sad was as we were preparing for the first meeting with the North Koreans in a multilateral setting, the Three-Party Talks occurring in April 2003, I knew the kind of opposition that we would face. So I drew up a series of objectives and I set up a series of guidance that proposedly would be given from Secretary Powell to Jim Kelly. My attempt was to have Kelly coordinate with Powell ahead of time and have Powell give that as blessed and final guidance to Kelly and then he would be off and have some margin of wiggle room in which he could engage the North Koreans. Not in direct bilateral contact, but if the occasion arose, that he would be able to have a civil discussion with the North Koreans and be able to report back what he had learned.

It did not work out that way. For whatever reason, Mr. Kelly did not do that, and instead called for an inner-agency meeting to review the proposed guidance. That may have been appropriate from his point of view, but I knew what the outcome was going to be. That meeting which was attended by far too many people, all of whom came with their knives sharpened, when they heard the proposed guidance, they just went absolutely ballistic to think that Mr. Kelly could be in the same room with a North Korean and if they should speak to him, he would have the gall to actually speak back to them. That meeting broke up around noon. By 2 o'clock there was new guidance, or maybe it was 4 o'clock. I will give it the benefit of the doubt. Maybe 4 hours later there was new guidance written and signed by the National Security Council which explicitly forbade Jim Kelly from being in a room separately and by himself without the Chinese presence with the North Koreans. When I saw that guidance, I sent a note to Powell's chief of staff and I said the North Koreans will not stay for the 3 days that this is scheduled. They will leave early. This is doomed to failure. And that is exactly what happened. You cannot conduct diplomacy when you cannot talk to people, and as you have seen during the first three rounds of Six-Party Talks, Jim Kelly was significantly hampered by the instruction that he had.

I will give you one example. Under pressure by Prime Minister Koizumi at the G-8 conference that was held shortly before the third round of Six-Party Talks in June 2004, Koizumi urged Bush to put a U.S. proposal on the table. Nothing was occurring in these Six-Party Talks. It was so bad that the Chinese had once labeled publicly the main problem with the Six-Party Talks was U.S. policy toward North Korea.

The U.S. proposal indicated that in a 3-month period the North Koreans should be prepared to disable their reactor, make a declaration, have the inspectors come

in and completely get rid of their nuclear program. When you take that by comparison to what is going on today in which in a 60-day period the North Koreans were simply supposed to shut down their reactor, and it took an additional 90 days after that because of the complications, and you think in terms of the third round in which the North Koreans' counterproposal was this is too much to swallow, how about if we just freeze our facilities at Yongbyon, and the U.S. said we want nothing to do with a freeze. What do we have today? We are celebrating the freeze that is taking place. What did we do for 3 years that now changed our minds, and what was absolutely unacceptable in June 2004 is now cause for celebration? That gives you the mindset.

There was a breath of fresh air when Chris Hill was appointed in the sense that he would bring with him a new set of eyes and a new set of independence. When he was named, I went to Seoul to meet with him and I said, Chris, let me tell you now before you go to Washington to assume this post what is going to happen and who is going to do it to you. He sat there in disbelief and said, no, no. I will not allow that to happen. And of course, we all know what has happened.

The one positive development that we saw was the manner in which Chris Hill conducted himself in the fourth round of talks in the July-August-September portion of the Six-Party Talks. He was allowed finally over the evolution of this process to have bilateral meetings with the North Koreans, and he had multiple sets of bilateral meetings. But what we ended up with on September 19 was a strategic mistake in terms of the U.S. or at least the Bush administration accepting the language regarding LWRs. When they did that I said this is going to be a problem. The Bush administration has absolutely no intention of entering into serious dialogue nor providing or being part of the provision of an LWR to North Korea. Why did they sign up for the language that leads the North Koreans to believe that?

The language you may recall is a little bit cute. It says that at an appropriate time the subject of the provision a light-water reactor will be discussed. What are we seeing today? The North Koreans are already talking about the LWR. They are redefining now because they own the leverage in this process of what an appropriate time will be. The U.S. for its part going back to the bifurcation of policy, when that policy was issued on September 19, the hard-line element still was in tact in Washington. They were furious over this agreement. They created their own document and it was given to Chris Hill to read verbatim on the 19th. So you had a situation in which the U.S. said, yes, we sign up for this somewhat diplomatic and slightly ambiguous language in which we never mentioned uranium and we talk about some appropriate time in the future. Then 10 minutes later he said, but I have a U.S. statement I wish to read, in which he strips away the ambiguity and said let me be very clear, this is what is written for him, he did not participate in this writing, and the language is an appropriate time means after full denuclearization, after we are satisfied that there is CVID, complete and verifiable irreversible destruction, of their nuclear program. And by the way, it will be when we determine that the North Koreans have created a sustained cooperation on these issues.

And just for good measure they said, and no segue, we hereby kill KEDO or words to that effect. The North Koreans a day later reacted and said let us redefine for you what an appropriate time is, and that is we will dismantle our nuclear facilities after you provide us with an LWR. So within 24 hours we had the potential makings of a major dispute because there was not a single policy developed within the United States on how to handle this issue. We continued to face that all along.

One other incident that I want to talk about and I will fast-forward to allow Don to make some comments and then allow this to open up. That is, as an example, on April 10, in Tokyo there was to be a meeting at the NEACD, the Northeast Asia Cooperation Dialogue, a group, a track two, a nonofficial meeting that involved the six parties involved that had been going on for a number of years for which by this time there was little interest in it. There was no senior-level participation. Occasionally a deputy assistant secretary would attend, but more than likely someone less than that. But this one was coming at an ideal time. As you may recall, the fourth round of talks ended in September 2005 and there was a hiatus. There was nothing going on. The North Koreans were refusing to participate because of the BDA sanctions, as they put them, which was not quite an appropriate term, but from their point of view they were sanctions, and there was no progress going on. A number of heads of delegates were talking among themselves and making suggestions. Here was an opportunity for an informal gathering of heads of delegations under the cover of this NEACD meeting in Tokyo on April 10, 2006. There was no earthly reason for this senior level to gather there and participate other than to talk among themselves. They all came with high expectations that there would be opportunities for trilateral and bilateral talks, and we may get some momentum going again. The North Koreans came with high expectations that something may come about.

Chris Hill got off the plane and said, I am prepared to meet with everybody who is an active participant in the Six-Party Talks. What that meant was because Kim Gye Gwan, his counterpart, had said, we are not coming back to the active participation of the Six-Party Talks until the BDA issue is resolved, Chris Hill was signaling to him and saying, I am not meeting with you, you must first make the decision to reenter these talks formally; declare that you are coming back and then we will have this meeting. With that announcement, the Russians turned around and went home and there were no significant developments that came out of that. And it is my contention that the North Koreans essentially took that as the last straw in the potential development of normal activity and dialogue with the United States. And those who were advocating in Pyongyang dialogue and movement with the United States essentially were moved down a peg, and those who were saying to Kim Jong-Il we have been telling you all along this was not going anywhere and now we have been embarrassed in Tokyo, it is time to get on with our other programs, these other programs will produce results. And what were those other programs? A missile launch on the Fourth of July and a nuclear detonation on October 9.

All along, the United States position of the Bush administration for the first number of years was we will not reward bad behavior and we will not meet bilaterally with the North Koreans because that is what they want. That is something that they are seeking, and therefore we can withhold it and that is a reward for them. But in the North Korean mind, let's take a look at the situation. Yes, the United Nations acted, yes, the Chinese participated, with Resolution 1695 and Resolution 1718. Has it done any harm? Not particularly.

But what has happened in terms of U.S. reaction to and U.S. interaction with North Korea following the detonation? Has it done any harm? Not particularly. But what has happened in terms of U.S. reaction to and U.S. interaction with North Korea following the detonation? The U.S. has agreed, did agree, and met bilaterally outside of the realm of the Six-Party Talks. They met bilaterally with the North Koreans in Berlin. That produced an agreement that the United States would reverse course on the decisions that were made about BDA, that the United States would give back all of the money, the $25 million, and would satisfy the North Koreans.

A deal was made then and it was carried over and inked in the Six-Party Talks on February 13. That is what we are dealing with now. The North Koreans from their point of view said, that's fine. From a strategic point of view, the North Koreans made a decision that they no longer need their programs associated with their plutonium nuclear weapons program. I make a distinction that they have not made a judgment about their product, the missile, not the fissile material, or the nuclear weapons, that they do not from a strategic point of view need the facilities at Yongbyon, so they put them on the table. They by the way are in a state of disrepair and probably deteriorating and from a practical judgment the North Koreans put them on the table to get something for them less they fall apart on them and be worth nothing. But from the North Korean point of view, they said the precondition for this is complete resolution of BDA. That took an extra 90 days beyond the 60 days that was allocated for the shutdown of Yongbyon. All along I believe that once the North Koreans made the deal that they would shut down Yongbyon, they do not have a need for it any longer.

What we are faced with now, and I am getting beyond the book at this point, is what is going to happen in phase two when the North Koreans in my opinion are going to say because they have the leverage what is it that they need out of this. Not very much. It is the United States having reversed course this past December and January on how to deal with North Korea. The United States needs to see progress. The North Koreans do not. They can be very happy with their eight to ten nuclear weapons or the fissile material to make them.

In phase two they are supposed to disable and make a declaration of all their nuclear programs that includes highly enriched uranium. I have a suspicion that they will find a way to make the declaration and will come full circle from the October 4

meeting with Kang Suk Ju in 2002 and we will resolve the HEU. I do not know quite what it is going to be, but I have that sense.

What I am not sanguine about is that the North Koreans are going to easily disable Yongbyon, for the North Koreans before they make that move, they are going to say two things. One, when we do this we are left with an environmental mess. Who is going to clean it up? Who is going to pay for it? Who is going to retrain our scientists who longer have jobs? Who is going to provide the work for those around the Yongbyon area who service the Yongbyon nuclear facilities? Sounds awfully like Nunn-Lugar. Secondly, they are going to say, when we do this we are in a permanent way removing our ability to create energy through the finishing of the 50 megawatt and the building of the 200 megawatt reactor. So let's now talk seriously about the light-water reactor. That is something that is supposed to be way down the road. So these are the challenges when Chris Hill says we are going to be talking about phase two, but there are challenges ahead. They are very serious challenges and I for one do not believe that they will be resolved at the end of the year. Nor do I believe they will be resolved by the end of the Bush administration.

Let me finish by telling you the up side. There is an upside, the up side of the Six-Party Talks, and that is the habit in the near constant coordination that was created, the shuttle diplomacy amongst the capitals, the Chinese going to see the North Koreans, the South Koreans, the Japanese, and the Americans, everybody was in motion at the foreign minister level and down. We have created an opportunity, and I end my book at chapter 12 with a recommendation that now is the time to take advantage of this environment to create a more permanent Northeast Asia security organization that is not based on a North Korea nuclear weapons centered idea. The Six-Party Talks will work itself out. But what I propose is five parties that talk about those things that are of critical interest to all of us, transparency, incidents at sea, prevention of miscalculations, SARS, you can just go through a list of things in which if there were a permanent dialogue going on we could be moving from those things that make sense and are of common value to the more complicated security issues much later down the board. But North Korea does not and should not have a seat at the table because we have seen time and again that when they have a consensus seat meaning they are the ones that set the agenda, the dates, and the pace, that nothing gets done. So this organization ought to be built and it ought to be centered in Beijing, but it must have U.S. leadership. The U.S. cannot sit idly by and it cannot wait and let this opportunity pass by.

So if you take a look at that chapter you will get an idea that it is not a new idea, but I have refined it in my own way. It is an idea in which a number of good people for a number of years have been talking about, but I think the consequences of this failed diplomacy and the activity associated with the Six-Party Talks has it made it ripe for fruition.

So with that, let me stop and turn it over to Don Oberdorfer.

(Applause)

MR. OBERDORFER: Thanks very much. There are some seats down here that have reserved on them, but why don't you all come down and sit here? There are at least seven seats.

I am Don Oberdorfer, the Chairman of the U.S.-Korea Institute at SAIS. SAIS is very happy to co-sponsor with Brookings this meeting on Jack's book. It is a terrific book. It is very much worth reading. It has a lot of information that people who study this issue, historians and journalists and others are going to be looking at for quite a long time. You have a taste, a hint of what is in it this morning from Jack. It is fundamentally about the policymaking and implementation of Korea policy in the first 6 years of the George W. Bush administration.

A hundred and eighty-four pages of this book is the story of the administration's unwillingness or inability to deal effectively with a very serious threat to United States security and to security and stability in Northeastern Asia despite the efforts of Jack and a number of other people who worked very hard to try to bring about a positive result.

This is followed by two pages of an epilogue discussing the limited but important gains in U.S.-North Korean negotiations which began early this year as a diplomacy which is now ongoing and distinctly has not failed despite the title of the book.

What I would like to do rather briefly is to address the nexus between these two things, between the failed diplomacy as Jack has termed it of the first 6 years, and the current unfailed diplomacy that is going on now and brought about the shutdown over the past week of the Yongbyon nuclear reactor. How did we go from one to the other? What follows is my interpretation, not as an insider. I have never been in government a day in my life except maybe as a Second Lieutenant in Korea for 2 years at the end of the Korean War, and I have no intention of ever being in it. As Jack indicated, the February 13 agreement was a breakthrough of sorts in this whole situation, but it did not come out of the blue. Such things rarely do. He has alluded to some of the factors which brought it about.

In my view, developments over the latter part of the last year were central to bringing about the situation that culminated with February 13 and which we have now. These elements were touched off in a sense by the North Korean nuclear test of October 9. As Jack indicated, that was an important turning point. Whether you believe that it was an award for bad behavior or not, the fact is I thought that on October 9, diplomacy about North Korea's nuclear program was at an end. I was completely wrong. That is when it really began. The reason was that the administration could see and anyone could

see that unless there was a change in U.S. policy, there were going to be more nuclear detonations in North Korea. There would be more dangers in Northeastern Asia. There would be more difficulties in bringing U.S. policy in line with those of the People's Republic of China and the Republic of Korea in an attempt to deal with the DPRK nuclear program.

The test was clear and forceful evidence that the previous U.S. policy had failed. It had failed to restrain the DPRK or to provide a workable alliance or direction for U.S. policy in dealing with North Korea. The stage was thus set for a change in policy one way or another in response to the nuclear explosion.

The Six-Party Talks finally met again last December after a 16-month hiatus, but they had failed to achieve much progress, and at the end of them, the North Korean negotiators told the U.S. negotiators privately, not publicly, that they simply had no instructions from Pyongyang, but they were awaiting instructions which they hoped would come soon. In response, the U.S. through Secretary Hill and one of his aides told the North Koreans the U.S. would be willing to meet them bilaterally at a place of mutual choosing to discuss whatever the North Koreans had from Pyongyang. A little bit after Christmas the North Koreans said they would like to meet, that they would like to do so in Europe, and so in mid-January Secretary Hill met Kim Gye Gwan in Berlin as Jack has mentioned. This was the first clear sign at least to me of a shift in U.S. policy. The bilateral talks were as Hill said in Berlin, were the first time that he and Kim Gye Gwan had met privately and the first time they had met outside of Berlin. And although we did not know it for sure at the time, they were also a sign that Hill and Secretary of State Condoleezza Rice had been able to obtain the approval of President Bush to go down this road which he previously had rejected. It was also the first time that Hill had extensive flexibility in dealing with North Korea.

Whether by chance or by happenstance is still not entirely clear, Condoleezza Rice turned up in Berlin on the last day of the talks between Hill and Kim Gye Gwan. She liked what she heard what Hill and Kim had been able to work out, and she picked up the telephone and she telephoned her former deputy now National Security Adviser to the president Stephen Hadley and she filled him in on what had happened and gave her approval for it. Hadley undoubtedly talked to the president and it was approved. This was a crucial act. It cut through and above and beyond all these endless committees that Jack has talked about that sat and tried to write the exact scenario, the exact words that Jim Kelly could say to his counterpart and were arguing about what was on the head of a pin forever by people who did not agree with each other and who did not agree with the course that was being followed. So from that moment on, most of the diplomacy has been written by Hill and Secretary Rice, approved by the president, completely without these committees having their hands on it to make it impossible for any kind of result to be obtained.

This did not happen in a vacuum as Jack indicated. One key moment was November 7 of last year as he suggested when the voters of the United States brought in Democratic majorities in both House and Senate and overwhelmingly rejected the existing course in Iraq. Among the repercussions was the realization that the administration simply could not expect to launch the country into another military showdown in another part of the world and have public support. An official involved in the policy toward North Korea explained that in the deliberations which followed on North Korea, "Iraq was in the room." The election returns also led to personnel changes which facilitated policy changes. It immediately became clear there was no hope for the confirmation of John Bolton as Ambassador to the United Nations and he resigned. Earlier this year he was followed by Bob Joseph who did battle within the State Department as Under Secretary for Arms Control and International Security. Secretary Rumsfeld and some others in the Pentagon left, and there were shifts of power within the administration. When a senior ROK diplomat asked former Secretary of Defense William Perry what had happened, why the administration had reversed course toward the DPRK, the answer reportedly was simple, "Because Cheney wasn't there."

There were also strong pressures on Pyongyang to take actions toward denuclearization that they had long promised. Among those pressures let us never forget was the People's Republic of China which quietly but powerfully reacted to the North Korean test on October 9. The Republic of Korea also withheld its full cooperation and support for the North following the test pending the denuclearization accords under discussion.

In the current circumstances, the DPRK seems to have adopted its own version of Ronald Reagan's famous injunction "trust but verify." Its version is don't trust but verify. It announced the shutdown of the Yongbyon reactor only after receiving the $25 million of its blocked funds from the Macau bank. It implemented the shutdown last weekend only after an ROK tanker carrying the first 6,200 tons of promised fuel oil had actually docked at the Port of Seonbong in North Korea.

So today we are at a new phase of the diplomacy which Jack Pritchard has described so well in his book. None of us can predict all the problems and pitfalls that may lie ahead, and certainly there will be some given the track record, but the odds seem better than in many months. If North Korea keeps its end of the bargains, diplomacy will move in the right direction.

With that, I am going to say that SAIS is very happy to co-sponsor this event and have a part in a book that I think is going to be very valuable to a lot of people for a long time. Congratulations, Jack.

(Applause)

DR. BUSH: The floor is open for questions. Please pose your question to Jack and identify yourself.

MR. MATSUMURA: My name is Hiro Matsumura, from Brookings. I am very much intrigued with your proposal that five-party talks should be established in addition to the Six-Party Talks. I hope you can elaborate more on that because all the parties except North Korea have tried to gauge strategic intentions from the Six-Party Talks, so the North Korean case is a litmus test to see the five powers' strategic intention in the future. And also the reunification of the Korean Peninsula will give a strong shadow of the future again in strategic interactions. But reunification of the Korean Peninsula also has strong implications to the current Six-Party Talks.

If the five-party talks are to be established that have to deal with as you mentioned many important issues, but the unification of the Koreas should not be completely separated from the Six-Party Talks, the Taiwan cross-strait question will not be accepted by China to place on the agenda, and questions like CBMs [confidence building measures] will be a major component of the five-party talks. But that can be done by the existing framework like ARF. So would you please elaborate a sufficient rationalization why the five-party talks can make good sense? Thank you.

AMB. PRITCHARD: There are a couple of things. One, let me go back and reiterate why it cannot be six parties. As I said, the North Koreans have no place at the table in which they are an obstruction to it. At a point in time when they become a more normal nation, when they have stakes in which they have to act and respond to in a positive way, they can certainly be invited in. I do not discard them completely. In the chapter that I write I include North Korea as an observer to that. But as I mentioned, you have got to start something that is relatively common in which there is a consensus base on which to proceed. So you are not going to talk about Taiwan, you are not going to be talking about reunification in my opinion; you are going to be establishing from the easiest to the harder things. You are establishing the mechanism and the procedures. Very specifically as an example, I propose a secretariat in Beijing in which there are at least permanent representatives from each of the countries established in this secretariat and they are each augmented with two senior researchers who have established links to national research institutions in their own country. So as topics come up as interest, there can be preliminary research and discussion within the secretariat that is agreed upon, and then as the ministers meet you have the entire resources of all the countries available to proceed.

But as to the exclusion of North Korea, North Korea cannot be or anything associated with North Korea in my mind cannot be involved in that. North Korea has for a long period of time established a fundamental ground truth that they do not want to be on permanent trial and that the others are sitting in judgment of them. So that is the exclusionary factor of that.

In terms of the ARF, that is too large and too unwieldy in my opinion when we are talking about Northeast Asia and the establishment of a security mechanism for those nations that fundamentally have significant power in the region in which they can interact among themselves established patterns of cooperation and prevention that will preclude misunderstandings and resolving relatively easy issues until they get to a point in time where they are prepared to take on much larger and more controversial issues.

MR. KIM: I am Roy Kim. Actually my question is to both Jack and Don. Don, I have been holding my hat ever since; I have not taken off my hat. That is how he ends up his book on two Koreas. You did a very nice job linking between stages one and two. In this regard I have two specific questions. One, what about the peace treaty ending the 1953 armistice, how and why this could come about? Number two, what about the normalization process between the U.S. and DPRK? Thank you.

AMB. PRITCHARD: Let me take the second one first, and then Don can go back and refresh his memory about 1953 without flashbacks of horror.

The normalization process, even as we think and talk about now as something that the North Koreans have wanted a long time, but it goes back to when you talk about the title of the book, "Failed Diplomacy," one of the keys here is why has it failed? Who takes the responsibility here? I do not mean to dismissively say it is the fault of the President of the United States, but it is. That was an academic judgment, by the way. The President of the United States takes the responsibility and the leadership for developing a coherent and single strategy and he has not done that. He has not made a strategic decision on how he wants to deal with North Korea. So when you talk about the peace process or the normalization process, I am not convinced that you can go into the Oval Office today and sit down with the president and say we have met all the requirements we think that you want. Are you prepared now to sign on the dotted line that continues the reign of Kim Jong-Il and the existence of North Korea? I do not think he would do it. This is like holding Mikey's mouth open and stuffing spinach down there. It is not going to happen. Broccoli, spinach or whatever.

But the point that I would make is, embedded in this as an example the February 13 agreement, you have a commitment by the United States that starts out in phase one that says we are going to begin the process of removing North Korea from the list of state sponsors of terrorism and we are going to stop implementation or drop them from trading -- have we seen movement on that? No. What we have seen though is disgruntlement by our key ally Japan. We had Prime Minister Shinzo Abe come to the United States, have a meeting with the President of the United States, and have the White House spokesman say not so fast. What we really meant was at an appropriate time, really after normalization, then we will take them off the terrorism list. There is a dual track here even embedded within the February 13 agreement. You cannot get to normalization under the current situation I do not believe.

MR. OBERDORFER: Let me just say very quickly in response to Professor Roy Kim's statement that I was about to say exactly what Jack just said, the peace treaty and normalization process are all well and good and nice things to talk about, but I do not see how you can get there until you basically break the back of the nuclear weapons problem. That stands in the way of any important resolution between the United States and the DPRK.

As to his wonderful suggestion that we would like to see the book by Kang Suk Ju and Kim Gye Gwan, I would say so would I. This is really the missing link for a historian in all of these things. What are they thinking in Pyongyang? What is their strategy? Where are they going? We have guesses, but none of us know. So it would be wonderful to have at some stage and sooner the better some clear idea beyond the rhetoric of what the thinking is of the North Korean leadership.

DR. BUSH: If I could intervene, Professor Kim, at a conference or seminar that Brookings sponsored last September, Bob Carlin provided his guess of what Kang Suk Ju might be thinking about. He imagined a report by Kang Suk Ju to his diplomatic colleagues.

MR. KIM: I read that reference in Jack's book (inaudible) I was in Pyongyang in September and October 1994 and I saw an entirely different picture (inaudible) so that's a point I was trying to make (inaudible)

MR. GORDON: My name is Edgar Gordon. My question, accepting your criticisms of the way the diplomacy had been conducted in the last 6 years, my question is the discovery of the nuclear enrichment program which you said this finding was well based and you accepted it, this obviously was a new fact in terms of the approach that had begun in the Clinton administration. What would be the alternative? How might this administration approach that problem rather than what they did?

AMB. PRITCHARD: I appreciate that. It gives you an opportunity to take a look at the precedence that had been set in dealing with problems with the North Koreans and what should have been done with the HEU, and I take some partial blame because I was part of that trip in October 2002. But when you take a look at two very recent incidents, the August 31, 1998, long-range missile firing over Japan and the consequences of how the United States approached that when Japan withdrew its participation of payments in the KEDO light-water reactor project, the United States undertook a several-month prolonged and deliberate dialogue with the North Koreans that produced in Berlin in September 1999 a missile moratorium that resolved that issue for a number of years. Why that broke down or why that failed is not related to what was negotiated.

Secondly and probably even far more to the point is the concerns we had also that summer in 1998 over a suspected second nuclear site at an underground facility called Kumchang-ni. The United States went to the North Koreans and said if this turns out to be correct, and we think that it is -- by the way, there was not unanimity within the intelligence community about that program at that time -- but we said, if it does, this will derail the agreed framework and we must resolve this, and we entered into another 8-month sustained dialogue with the North Koreans that ended in an unprecedented allowance of U.S. inspectors to go multiple trips to this militarily sensitive site with detection equipment and video equipment and they scoured the place coming back and determining it was not what we had suspected.

So the clear answer is what should have occurred in October 2002 was a follow on and a complete engagement with North Korea over this in an attempt to resolve, walk back, and destroy the path that we believed they were on, and that did not happen.

MR. OBERDORFER: I would like to comment on that briefly. I have some personal experience. In November 2002, exactly one month after Secretary Kelly's unsuccessful trip in dealing with the HEU issue to Pyongyang, former U.S. Ambassador Donald Gregg and I went to Pyongyang and we saw exactly the same people that Jim Kelly had seen, Kim Gye Gwan and Kang Suk Ju. Kang Suk Ju at the end of our discussions gave us what is called in diplomacy a verbal message for President Bush. Actually, it was in writing which is the way diplomats fool around with this stuff. We brought it back to Washington and we gave it to Stephen Hadley then the Deputy National Security Adviser to Condoleezza Rice, and with a translation. It was not a bad message. It was saying basically in keeping with the new century, we should get together and try to work out our differences. Let's talk.

At that point, North Korea was not denying that it had an HEU program and the question was what to do about it. We gave it to Hadley and Hadley said we do not reward bad behavior. They refused to answer the message, although we said if this message from Kim Jong-Il was the contents of a telephone directory of Poughkeepsie, you can answer it in your own way and be in touch with the one person in North Korea who has the power of decision. The administration would not do that so a great opportunity in my view was lost to be in touch with Kim Jong-Il himself. So the answer to the question of how it might have been handled differently is this, and with what Jack has just said, what should have happened was diplomacy which finally has happened 4 years later.

DR. BUSH: Tom Hubbard?

MR. HUBBARD: I'm Tom Hubbard of Kissinger McLarty Associates. Since Jack described me earlier on as integral to the process of formulating North Korea

policy at the beginning of the Bush administration, I just wanted to stand up and make sure everybody realized what side I was on in that debate

(Laughter)

MR. HUBBARD: I certainly was relieved when I was able to flee to Seoul and Jack was left behind dealing with these issues. But I do agree with almost everything Jack has said today and with almost everything that Don has said. Jack, I have read a few chapters of your book and I think it is right on and is providing a real service.

I think there were a couple of stages that were really key to the fiasco, the disaster, that we had in the early period of the Bush administration on North Korea and one of them relates to Jack's first point about the policy context. As Acting Assistant Secretary for East Asian Affairs pending Jim Kelly's confirmation, I went with Secretary Powell to the first important meeting on North Korea. It was a principals meeting at the White House situation room just before Kim Dae-jung's visit to Washington. As we were going over in the car, I said, please, please, Mister Secretary, the last thing we want to come out of this meeting is two working groups on North Korea. We should have a single working group chaired by State and that if we have a working group on nonproliferation chaired by the NSC, the game is over. They are going to eat us alive. We went to that meeting of course chaired by Condoleezza Rice. Both Rumsfeld and Wolfowitz attended. Bob Joseph attended. And a very senior official from the vice president's staff was there, and you could imagine what happened. We came out with two working groups with exactly the result that I predicted, and that started the process that led to our long-failed policy.

I think we are on the right track now. I was also Bob Gallucci's deputy in the negotiation of the agreed framework back in 1994 and I will refrain from a little bit of cynicism about where we wound up 6 years later, but I do think the administration is on the right track. I very much endorse what Jack and Don have said about that critical moment when we confronted the North Koreans over the highly enriched uranium. I saw the intel too. I considered it very valid and I have seen something since that changes my mind on that except maybe imminence is not quite what we thought back then. But we had a real choice then of how to deal with that problem and for reasons relating to that earlier issue over who was controlling North Korea policy in Washington, we decided to throw the baby out with the bath water. I think fundamentally a lot of those people wanted to kill the agreed framework at the first opportunity. This was the first opportunity, and of course the result was the IAEA kicked out of North Korea and everything that went on to those six nuclear weapons. Thank you.

DR. BUSH: Thank you. Scott Snyder?

MR. SNYDER: Scott Snyder, Asia Foundation. I look forward to reading the book. The two presentations I think illuminated an interesting dilemma for the negotiator and that is that if you try to get inner-agency consensus you cannot negotiate, but if you do not get inner-agency consensus based on the length of time it took to resolve the BDA issue, you cannot necessarily implement because you do not have inner-agency cooperation or backing in order to do that. So I would like to ask Jack what that portends for the other issues in the February 13 agreement as we go forward.

AMB. PRITCHARD: Scott, I go back to two points, one I have already made about the President of the United States having to make some strategic decisions and exert some leadership. But it also goes back unfortunately to the National Security Adviser both in the first term, as Condoleezza Rice, and now perhaps as Steve Hadley, but I do not have any particular insights on how Steve operates at the current adviser.

In the first term it was very clear that there was a general lack of cohesion in the development of options and strategies to present before the president and that the backstabbing that was taking place was never brought under control. The President of the United States cannot do by himself. He has to rely on senior members of the cabinet and he has to rely on the National Security Adviser. The problem in this particular case is as Larry Wilkerson points out, the backstabbing was happening by senior members of the cabinet. So the answer lies in the appropriate and diligent working by those who are in charge of the process.

There is a natural tendency to have differences of opinion as you go through the process, the PCC, the Policy Coordination Committee, and getting into the DC, the Deputies Committee, but after that when you get to the Principals Committee and decisions are made by the president, those things should fall away and there should be a cohesive manner in which the policies once decided upon are implemented, and we just did not see that in the first term.

QUESTION: Thank you very much. Congratulations, Jack, again for really an excellent book and a major contribution to our understanding of events particularly in the first Bush administration.

Are you in a position to talk a little bit more about the preparations leading up to the October 2002 visit? In your book you touch on the prospect or the attempt that the administration made to pick a senior person to head the delegation. I assume you meant somebody like Perry to head the Perry Process, and you said basically they could not find anybody, that no politician would take something like that without a guarantee of success. Can you tell how major an effort the administration made to really find somebody or was that just sort of halfhearted?

And secondly, if I could continue on the run-up to the 2002 meeting, once the HEU program was revealed and there was the consensus that you had to stick the

North Koreans' nose in it, how hard did the white hats right to keep KEDO and the agreed framework alive or were they totally rolled without a real fight from senior levels?

AMB. PRITCHARD: Thanks, Joe. There was a conversation, a decision, a dialogue about how do you present this information? How are you going to get the best response out of the North Koreans? The answer was you have to go to the top. You cannot fool around at intermediate levels. Then the decision is who can have access to the top? You have mentioned former Secretary of Defense Bill Perry who ran the Perry Process, even when Bill Perry went in May 1999 to Pyongyang, he did not have access to Kim Jong-Il. You have to have somebody as we have seen and have been criticized for, an active secretary of state or senior. I mentioned in the book as an example that I put that in a memo that said you are really going to have to have somebody who is at that cabinet level or the vice president. It was clear that the vice president had no intention to go. That memo went forward signed by Jim Kelly. Obviously he did not read it because when it was fed back to him he said, some idiot sent that forward, and I said, yeah, you did. But you could not have a serious effort to find somebody because it was like poison. Nobody was going to step forward to take on that. So credit does go to Jim Kelly for taking on that effort. I will tell you though, and I think I mentioned it in the book, there were efforts by Don Rumsfeld to have other people appointed to go in his stead and when he came back, Rumsfeld applauded the results that he got out of that.

In terms of white hats or those who were trying to preserve diplomacy or preserve options, the die was cast. The first thing that was discussed was with the admission of the HEU by the North Koreans; that was the final nail in the coffin on the agreed framework. There is no further justification for it. Therefore, the first thing that has to stop is the provision of heavy fuel oil. There was really a fight to preclude the United States from reaching into KEDO pockets and taking back money that had already been appropriated and given to KEDO and shipments that were already on the way on the sea to North Korea, saying that is not U.S. property any longer, that is not U.S. money, you've got to wait. And we ended up having to wait another month or so before we could appropriately do that. But it was a lost cause with the admission of the HEU by North Korea. The agreed framework was folding rapidly at that point.

QUESTION: Rust Deming -- at SAIS. Jack, thank you. I have not read the book yet, but it sounds like an excellent and courageous accounting.

My question is, given at this point how much plutonium has flowed under the bridge, is CVID really still achievable given how far the North Korean program has come, or should we settle for something short of a complete and verifiable accounting of all the separated plutonium?

AMB. PRITCHARD: I think this is going to be a controversial issue, but let me go back to we have always had an unaccounted small amount of plutonium from prior to 1992 that occurred prior to the Clinton administration with the North Koreans

trying to fool the IAEA. Whether that is 5, 6, 7, or 8 kilograms, whatever it happens to be, and we have an expert in the audience and I won't put him on the spot, Bob, but there is a question of whether we will ever get full accounting of that.

One of the problems early on in the first term as an example was the definition of verification. As Tom Hubbard brought up, when there was established two committees one of which was on nonproliferation, the standard that was being used was 100 percent or nothing and that obviously meant we could never come up to an agreement with the North Koreans because it is absolutely impossible to get 100 percent.

I do think it is part of the process to move toward to get as much of an accountability as you can. Whether the North Koreans can claim the stuff that is unaccounted for, we packed it up in the detonation that went off on October 9 and therefore it is all gone and consider it accounted for, it is going to take somebody a whole lot smarter in that arena to be able to do the accounting for that, but it is a goal that we ought to seek.

DR. BUSH: Two more questions.

AMB. PRITCHARD: We have time for more questions. Let's go to the back of the room over there, and then we will come back over here.

MR. POMPER: Congratulations on the book. Miles Pomper from Arms Control Today.

AMB. PRITCHARD: Hello, Miles.

MR. POMPER: A couple of questions dealing with the October 2002 meeting. Mike Green gave a presentation a few weeks ago where he said the administration was not expecting North Korea to react to the U.S. actions after North Korea admitted it had the HEU program and the U.S. shut down KEDO by taking the steps to withdraw from the NPT and so on. This struck me as kind of surprising given that this is exactly what North Korea had done before when there were confrontations. Is this accurate? And why was this not gamed out at all given the circumstances?

Secondly, when you talk about how you would have gone about dealing with things differently after the North Korean acknowledgement, one thing that does not come into account is Congress's role in this. I was covering Congress at the time and my feeling is that as long as this was out in the public domain and Congress knew about it, it would have been impossible to sustain KEDO and the agreed framework under those circumstances because they were already on the verge of killing it before then, and I just wanted your reaction to it.

AMB. PRITCHARD: Thanks, Miles. Those are two important points. Number one, I do not know what Mike Green and the NSC were doing, but there was a very clear discussion at the State Department that I was having with Powell and others in terms of what we anticipated the North Koreans to do and we mapped out exactly what was going to happen. Where we fell short is the speed in which it was going to occur. We did not anticipate that the North Koreans would move so rapidly. You know the timelines from December to January in terms of the kicking out the IAEA and withdrawing from the NPT and restarting the reactor. We just did not anticipate the speed in which they did that, but we knew precisely what they were going to do at the time.

Secondly, in terms of Congress, you are absolutely right. One of the toughest things that I had in the last portions of my role as KEDO was trying to get some amount of money from Congress. I went to Representative Hyde looking for administrative funding and my pitch to him was that I do not know what the long-term solution is going to be, but I am in the business of keeping options open and you have got to keep KEDO alive. It may very well turn out to be part of the solution to the problem.

I got the administrative money that I needed for that year, but none came following that after I left, and we now see that KEDO is dead but yet we are taking about light-water reactors. A final question, young lady?

MS. HO: I am Stephanie Ho with Voice of America. Mr. Pritchard, you talked about the definite intelligence that North Korea has acquired some of the equipment necessary for an HEU program. Is there any evidence that they are actually proceeding with it, producing uranium from it, and is there any way for anyone to tell outside? The related question I wanted to ask is do you sense the administration is softening its stance about the HEU program? On Sunday, Stephen Hadley was on Fox News calling it an apparent covert program instead some of the stronger language we have seen in the past.

AMB. PRITCHARD: This is difficult area. One, I really cannot go into the intelligence and I will not go into it. But just in general, the difficulty in finding a working program is extremely difficult, but I just have to for legal reasons skirt around that. I am not going to touch that. I wish I could, but I am not going to.

In terms of softening of the language, I think that is accurate. It happened not with Steve Hadley, but relatively early on in the six-party process that they began dropping the highly enriched uranium descriptive and calling it an enrichment program or a uranium enrichment program, and now as you are describing what Mr. Hadley has called it, there has been a softening of that. Whether that is by intention to allow the North Koreans to come up with some plausible rationale of what they have been doing with some equipment that then falls short of something that is as sinister as we thought

might have been occurring in October 2002, I do not know. I would have to speculate on that.

DR. BUSH: Thank you very much, Jack, for your presentation. Thank you very much for doing the book. Thank you all for coming. Jack has graciously agreed to sign copies of his books for those of you who have already bought them, and there is still an opportunity to buy copies for those of you who have not. Thanks again for coming.

(Applause)

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