

THE BROOKINGS INSTITUTION

NO EXIT:
NORTH KOREA, NUCLEAR WEAPONS AND INTERNATIONAL SECURITY

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PARTICIPANTS:

Introduction:

ANDREW PARASILITI
Executive Director
The International Institute for Strategic
Studies-U.S.

Moderator:

KENNETH LIEBERTHAL
Senior Fellow and Director, John L. Thornton
China Center
The Brookings Institution

Featured Speaker:

JONATHAN POLLACK
Senior Fellow
The Brookings Institution

Discussant:

CHARLES "JACK" PRITCHARD
President
Korea Economic Institute

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ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

P R O C E E D I N G S

MR. LIEBERTHAL: Good morning. I'm Ken Lieberthal, director of the John L. Thornton China Center at Brookings. Delighted you're here this morning.

Our event, as you know, is to mark the publication of Jonathan Pollack's new book, *No Exit*. This is a great book. I mean, we'll hear details about it. It's just a terrific book. It provides background to understand the North Korean issue, so it puts the issue in a deep context unlike anything out there certainly that I have run into before. In that sense, to my mind it represents scholarship at its very best. It really does change our understanding of the dynamics of a vital issue.

We're going to have three speakers on this morning's program:

Andrew Parasiliti, who is the Executive Director of the IISS-U.S. Institute of International Strategic Studies -- you know, the U.S. part of it. This book was both researched and written before Jonathan joined Brookings, and the IISS was central to that effort, and so Andrew will introduce the book.

Then Jonathan Pollack will come up for up to 30 minutes to give you an overview of the book. Jonathan had a distinguished career at the Rand Corporation, after which he went to the Naval War College for about a decade, and we finally convinced him to come to Brookings, where he is a Senior Fellow in the Thornton China Center. I worked real hard on getting him here; I'm really delighted he's here. He adds enormously to our intellectual resources at Brookings.

And then as a commentator we have someone as knowledgeable as anyone alive about the North Korean issue, Jack Pritchard. Ambassador Pritchard worked on Korea and Japan. Korea took up a lot of his time as I recall on the National Security Council during President Clinton's term of office. He then, for two years, was the

top point person for negotiations with North Korea in the Bush administration. Afterward, he spent nearly three years at Brookings and then joined the Korean Economic Institute in a position he still holds as president of the KEI. He also had a distinguished military career and retired from the military with the rank of full colonel. Jack will talk for about 15 minutes. We'll then have plenty of time for Q&A from the audience.

I do want to note finally before I sit down that this event is co-sponsored by CNAPS and the Thornton China Center, and as always I want to thank my friend and colleague, Richard Bush, for his own great cooperation and that of the entire staff of CNAPS. We do a great deal with them together, and it's always terrific to do so.

Let me sit down and ask Andrew to come up.

Please.

MR. PARASILITI: Well, thank you. I'd like to thank Ken Lieberthal and the Brookings Institution, John L. Thornton Program, for hosting this event for the launch of Jonathan Pollack's book, *No Exit: North Korea, Nuclear Weapons and International Security*, which was published by the IISS.

Jonathan and I were in Singapore earlier this month for the tenth annual IISS Annual AEGIS Security Summit. That's also known as the Shangri-La dialogue. In a question-and-answer session following his speech to the dialogue, Secretary Gates said about North Korea, and I'll quote, "With the continued development of long-range missiles and potentially a road-mobile intercontinental ballistic missile and their continued development of nuclear weapons, North Korea is in the process of becoming a direct threat to the United States."

Now, the challenges of North Korea as a direct threat to the direct threat to the stability of Northeast Asia, and as an emerging direct threat to the United States,

these challenges are as daunting as any of the foreign policy challenges facing the U.S. and our regional allies. It is also worth noting that North Korea is not just a geo-strategic challenge and not just a nonproliferation challenge but also a stark humanitarian crisis where the population is enslaved by one of the most repressive regimes in the world. And that in and of itself becomes part of the strategic calculus for thinking about the future of North Korea and the threat from its nuclear and other weapons programs.

And it is in that context that I would simply like to say, on behalf of the ISS, how pleased we are with Jonathan Pollack's book, *No Exit*. He has written a book that is rich in detail and history, looking at the evolution of North Korean identity and the dynamics of its political leadership. I believe that it will be or already is a standard work on North Korea's nuclear strategy and therefore required reading for both policymakers and scholars of the region. So, like you all, I'm here to celebrate the launch of the book and to hear from Jonathan and Ambassador Pritchard in the discussion about North Korea.

Thanks to Ken Lieberthal again for hosting us today in the Brookings Institution, congratulations to Jonathan on his superb scholarship and I'll turn the floor over to you.

MR. POLLACK: Ken and Andrew both, thank you for your warm remarks at the outset, and this is my inaugural book even here at Brookings, my new employer, and I'm delighted that the IISS and Brookings could collaborate in this context.

My book delves into the extraordinary if somewhat improbable history of nuclear weapons development in North Korea or the Democratic People's Republic of Korea, DPRK, and in particular of the leader who launched North Korea on this path.

A few things about North Korea at the outset. The DPRK is America's

longest running adversary in the international system. Since its establishment as a state in 1948, the United States and North Korea have never had what could be called a normal bilateral relationship. So, it's 63 years and counting.

North Korea is the only state ever to withdraw from the Nonproliferation Treaty. It has reneged on every denuclearization agreement it has ever signed, going back to 1985 when it did sign the NPT, and has defied allies, adversaries and the International Potomac Energy Agency in the face of grievous economic hardship and international isolation. It indicates by its words and its deeds that it has no intention to foreclose let alone to reverse the path that it has chosen with respect to nuclear weapons.

So, the question becomes how have we reached this point, and what if anything can be done about it?

This is not a new issue at all. The United States first becomes aware of nuclear development or the potential for nuclear development as an intelligence issue when in the early and mid-1980s overhead reconnaissance indicates the building of a plutonium production reactor in Yongbyon that has centrally preoccupied policymakers ever since. But in this context the United States had no direct interactions with North Korea.

The first time a senior U.S. official meets with a North Korean counterpart is in January of 1992 when then Undersecretary of State Arnold Kanter meets with a senior North Korean official, Kim Yong-sun in New York. This is our initial exposure to the world as seen from a North Korean vantage point. Of course we have the experience of the Korean War and the continuous presence of American personnel on the peninsula from that time.

But this was an inaugural event for us in terms of exposure to North Korea. It has initiated 20 years of fitful diplomacy that have persisted all throughout the '90s and beyond.

But there's a deeper history here of who, how, and why that long antedates American involvement with this issue. It's a history that is known to Russians, to Chinese, to East Europeans, to Japanese, to other Koreans outside the Korean peninsula if not in any particular detail to the United States.

My book was an effort to delve into what we do know from Cold War archives, from interviews, from technical history, and the like, to try to weave together this story from its origins until, quite literally, the end of 2010.

I try to tell this very much from a Korean vantage point. For those who are enamored of inside-the-Beltway accounts, don't bother reading the book, because there's nothing in there in particular that dwells on the usual kind of pulling and hauling of our own policy debates about what to do. It is much more about Korea. And it is essentially the story of the North Korean system itself, and it is rooted here, particularly of Kim Il-sung, who built the state and its institutions and dominated the state for nearly a half century to be then succeeded by his eldest son Kim Jong Il, who has now led North Korea for nearly 20 years since the death of his father in 1994.

It is therefore the only Marxist-Leninist state in the world that ever managed to pass power from the father to the son and now prospectively to the grandson. It has its own distinctive version of adversarial nationalism that legitimated the state in an internal context and provided the basis on which it interacted with the outside world.

Now, North Korea in many respects -- although it has the trappings of a

Marxist-Leninist system -- really resembles a traditional Korean dynasty. It has not obliged the world by going on to the dustbin of history. It persists despite, as I said, grievous economic costs and social costs, particularly to its own people and the kind of international isolation that it has long had to endure.

Kim Il-sung is a remarkable figure. A commanding presence. Singular figure. Charismatic. Extroverted. Daring. Comfortable in his own skin. I dare say that if Kim had been born in a different time and place, he would have been a rather impressive real politician in any number of systems.

The father, however, is everything that the son is not, and that's the reality that we deal with in part. Kim was animated by his own vision and version of intense Korean nationalism, which he successfully imposed upon his own society. He had a distrust of those outside his immediate circle of subordinates, many of whom he recruited to his cause when he was a guerilla fighter in Manchuria in the 1930s.

What's remarkable about Kim Il-sung is that except for two years in the 1920s he is absent from Korea from the age of 7 until he is 33 years old, and yet he cloaked himself in Korean nationalism. Most of that time was in China essentially from when his family fled to Manchuria in 1919, and then he fled to the Soviet Far East in 1940.

So, looking at Kim and trying to understand the way he thought and acted -- again, quite an audacious individual. He returns to Korea in 1945. A year later, he establishes Kim Il-sung University, which is a pretty daring thing to do as a 34-year-old. More than this, by the end of the 1940s he is pushing very, very hard for permission from Joseph Stalin and then from Mao Zedong to gain permission to move southward and to attack the South and therefore to try to complete the unification of Korea. So, it

was a reluctant Stalin. It was an even more reluctant Mao. But he is able to persuade them, and he almost succeeded.

In the aftermath of the Korean War, Kim constructs a system and state on his own terms, exploiting Soviet and Chinese aid first when the Russians and the Chinese were allies, subsequently when they were locked into bitter political and ideological context but of course with his long-term rivalry with South Korea looming through it all.

The other part of this story, however, is that as early as the mid-1950s, North Korea is beginning to assemble the infrastructure that would ultimately enable a nuclear development. A lot of this came under the rubric of the Atoms for Peace for the Soviet version of the Atoms for Peace project. In other words, peaceful uses. But subsequently that rationale dissipated as it became increasingly clear over the course of the '70s and '80s that other intentions were involved.

Kim insisted from the outset that North Korea wanted to use nuclear technology for peaceful purposes. The first conversations we've seen of where raises the possibility of getting a nuclear reactor from the Soviet Union occur in 1955/56. The problem is that 55 years later this is wholly unrealized as a goal. Siegfried Hecker from Stanford University has estimated that in the approximately 25 years of the operation of the Yongbyon reactor, which is now shuttered, North Korea generated, by his estimated, 23 days of electrical power, which, if one thinks about it, compared to what would be the accomplishment of a modern light water reactor. So, if that's true, then it perhaps was the least successful program in R&D history, presuming for the moment that the intent all along was not something else.

So, Kim may have led a small state, but he was a man who thought very,

very big. The kinds of frustrations that the United States has encountered with North Korea over the last 20 years find ample antecedents for decades prior to that in North Korea's relations with its allies. In the words and actions of whether it's Nikita Khrushchev, Leonid Brezhnev, or Deng Xiaoping, there is a respective failure on their part to curb, control, or contain North Korea, despite the fact that there was massive economic aid and political and military support from both of them.

Kim's ability to solicit and then manipulate his allies as well as his adversaries gives him the means to stand apart. In 1961 he signs in successive weeks treaties of alliance with both the Soviet Union and China at the same time that he is militarizing the state to an extraordinary extent and beginning to express in some internal voices anxieties about North Korea being a part and probably ultimately needing nuclear weapons.

Now, North Korea is associated with a doctrine known as "juche," which most people translate as "self-reliance." A better characterization would be "self-determination." So, there's a presumption that you can get whatever you need from different sources in the international system, but none of this presumes any kind of a control of your fate.

Now, of course many observers argue that North Korea's loss of its alliance ties with the Soviet Union and then with China at the end of the Cold War is what triggers nuclear weapons development. But in my view, this is really the culmination of a process that began decades earlier. We don't know exactly when Kim may have had made a decision to pursue nuclear weapons. There's no single document that attests to this. It may be have been locked in his own head. But the most likely timing of this was sometime in the early 1970s, in other words, well before North Korea signed the

Nonproliferation Treaty.

Kim, in essence, wanted to be answerable to no one. He wanted the DPRK to be an impregnable fortress, to use their terminology, and that nuclear weapons became a core element in this process of making no binding commitments to either Moscow or Beijing but enabling him to constitute and defend his own authority within.

Kim's world, however, begins to, if not unravel, at least be severely be challenged as early as the early 1970s when China and the Soviet Union pursue détente relations with the United States. Kim, as a consequence, begins to seek other relations so he depends less on the Russians and the Chinese. He gets major aid from Western Europe in the early 1970s a whole series of concessional loans, and the like, all of which were never repaid. He begins seeing the marketing of North Korean weapons abroad. He undertakes ample trade and technology ties and economic and scientific assistance with ethnic Koreans in Japan who were loyal to the DPRK. He even sends early letters to the United States Congress. But when the Soviet economic assistance and political support evaporates under Boris Yeltsin -- because of course at this point the Soviet Union no longer existed and Russia had recognized South Korea -- Kim then seeks to make the United States, as his next major power, a benefactor.

Under Kim Jong Il, who succeeds his father in 1994, there's also a turn to reliance for economic and political support from South Korea, where you had the elections sequentially of much more supportive political leadership seeking to open doors to the north -- this, of course, at the precise time that the system was undergoing grievous internal problems, de-industrialization, and a famine, of course, that came to hit North Korea very, very hard in the latter half of the 1990s.

Now, there were, of course, fleeting negotiating windows along the way.

Many of them reveal most fully with the United States in 1993 and 1994, culminating in the Agreed Framework signed in October of 1994 in Geneva. This is very much Kim Il-sung's agreement. Kim Jong Il, I must say, is missing in action, even though at this point he had inherited almost all the military titles of his father. It is Kim Il-sung who invites Jimmy Carter to Pyongyang. It is Kim Il-sung who had the stature and the authority to engage in high-level nuclear diplomacy and possibly -- possibly -- to consider or contemplate the ultimate abandonment of nuclear weapons.

But Kim dies only weeks after he meets with Jimmy Carter. In his last major speech, delivered in July of 1994, Kim states unambiguously that -- he says that nuclear energy is not the answer to the crisis that North Korea was confronting, that North Korea could not wait for nuclear energy; it had other more compelling needs. So, we did see the realization of an Agreed Framework in 1994. But I do believe it was very much the father's agreement, not the son's. It certainly made sense at the time.

It was an incomplete agreement. A lot of people participated in that process. I'm not saying it was the wrong thing to do. Indeed, what's interesting is that Kim, at the very end of his life, gave assurances to Deng Xiaoping of his commitment to denuclearization, but he was unprepared to extend the same commitment to the next generation. There was even evidence, I would argue -- and I discuss it in my book -- of alienation between the two Kims toward the very, very end of Kim Il-sung's life.

My despondent conclusion, then, is that the door to definitive denuclearization may actually have closed with the death of Kim Il-sung, because even as the plutonium program is put on hold under the Agreed Framework, North Korea begins to engage in enrichment activities that are traceable at least to the early 1990s. There's new information on this that I was able to incorporate in the book, although

others have done yeoman work here, and it warrants much more serious consideration.

Much of this was primarily through Pakistan and the A.Q. Khan network, as well as the securing of materials through channels in Europe, Japan, and the former Soviet Union. The Agreed Framework, as we know, unravels in the early years of the George W. Bush administration, and North Korea sensing both opportunity and urgency moves quickly to roll back the restraints that were imposed at the time of the Agreed Framework.

In President Bush's second term, especially following the first nuclear test by North Korea in late 2006, there is an effort and significant negotiations with a presumptive compensation package being put forward that is premised on specific reciprocal actions between North Korea and the outside world and particularly the United States. But North Korea continued to protect and preserve those dimensions of what it was doing that were indeed vital to its use or its development of nuclear weapons. This of course included its fissile material inventory, its self-declared weapons breakthroughs, and the enrichment program as an alternative source of fissile material, which has now come much more into public view.

So, in my own judgment, as argued in the book, I believe that North Korean scientists and perhaps its political leadership had begun to conclude that the plutonium program, which was essential to the building of at least a small nuclear weapons inventory -- probably somewhere between four to eight weapons -- that it was really running its course. The facility at Yongbyon is damaged goods. It's a place with incredible environmental risks, other kinds of problems, but it was sustained over a period of time, even notwithstanding these risks, but it was clearly approaching the end of its service life. And it's my own view that North Korea was then prepared to engage in a

leverage buyout over time of these capabilities, secure in the knowledge that enrichment was looming as an alternative source of weapons capabilities.

So, this is something that is under active consideration in the negotiations of 2007/2008, but then there is a stall with North Korea yet again balking on verification -- verification over the same sites, the same locations, the same activities that had first triggered the original North Korean nuclear crisis in interactions with the International Atomic Energy Agency in 1992 and '93, and, as well, of non-disclosure of a variety of activities.

There is a North Korean nuclear declaration in 2008 about its amount of its holdings of plutonium, and the like, but it is conspicuous by the things that are not included in that report.

In 2009 with the succession to office of President Obama, North Korea resumes its nuclear weapons development, defies the international community yet again. It is my own judgment and argument in the book that the pass to the second nuclear weapons test was fixed before President Obama even took office.

Now, all of this with North Korea claiming status as a nuclear weapons state, gaining at the same time renewed economic support from China, it does not feel under any acute pressure to relinquish its capabilities. There is no meaningful negotiation for elimination, or at least not on terms that would be acceptable to the United States or to anyone else.

So, my conclusion is that the North Korean leadership long ago decided that its power, its identity, its strategic interests, and its longevity would be better ensured with nuclear weapons than without them. This passes from father to son. Nor has North Korea been obscure about making its case. It's hiding in plain sight, even if at

times we have tended to let our eyes avert what is going on.

January of 2003 North Korea announced its pullout from the NPT. In February of 2005 it first claimed to have manufactured nuclear weapons, and it postulated its equivalence to other nuclear weapons states. It tested weapons twice, and it claimed to have weaponized the entire inventory of its plutonium. And since 2009 it now claims advances in enrichment, once that it had persistently denied from the time that the United States concluded in 2002 that there was in fact a covert enrichment program. But now North Korea makes claims and of course late in 2010 revealed the existence of an enrichment facility.

At the same time there was sustained pursuit of long-range missile development, and there have been, at least in a couple of instances that are known, the transfer of materials and technology with nuclear weapons potential to other prospective nuclear aspirants.

So, what do we do? And I do mean "we." There is a collective failure of the international community to prevent or inhibit what has happened in North Korea, and over time North Korea has become ever more invested in a nuclear identity. Now, the United States of course has continued to sustain and enhance the kinds of security relations it has on the peninsula with South Korea; efforts to deter any possible use of these capabilities; and, at the same time, to impose political and economic costs on the North through sanctions, and the like, all a part of what we might call a risk minimization strategy, emphasizing, of course, goals related to counterproliferation. We seek to monitor with others in the international community, as ratified through a sanctions resolution passed by the Security Council, North Korea's continued efforts to acquire technology as well as to export it. And the Obama administration advocates strategic

patience, as well as what I might call strategic prudence, as the only realistic course of action. It is not a solution, but the goal here is not to make anything easy for the North Koreans with respect to these activities.

Now, of course, some may believe that North Korea cannot indefinitely defy the laws of political and economic gravity. We'll see. The United States, of course, seeks to build an international coalition that is as broad as possible and to sharpen North Korea's choices, to deny North Korea any legitimation for the weapons in its possession or those that it may be intent upon building and, of course, at the same time heightening alliance collaboration in Northeast Asia. But buying time may be far from enough, especially as China remains prepared to serve as North Korea's provider of last resort.

We do not know what awaits North Korea in the longer term. In effect, we don't know how this story ends. Is there a level of weapons development that the leadership in the North would deem sufficient for their purposes? Or does, still, the expectation of additional nuclear weapons development posit further nuclear tests?

My own belief would be that if there is to be a third nuclear test, the next one will be with highly enriched uranium. But I should add that the nuclear weapons that North Korea has today -- this is a product of what I would call the historic North Korean system. Secretary of State Clinton made an observation when the nuclear concerns with North Korea again were heightened. She said that North Korea is like a small child or a teenager that is clamoring for attention. With all due respect to the Secretary of State, I think that's really the wrong analogy. These are the activities and fulfillment of the dreams of old men, not of children, realization of their lifetime goals and work.

So, we can ask does a future leadership sustain some of the same core

convictions as its elders? Or do they see the world and North Korea's place in it in ways that are different from their predecessors? For now, Kim Jong Il and those around him prefer both to have nuclear weapons and some kind of modicum of economic recovery, and they believe this may be sustainable. The United States of course insists that ultimately North Korea must choose, but does the day yet await where the choice can no longer be avoided or deferred? And what do all affected powers do if the present adversarial system in the North is able to persist in its activities?

These issues will stay with us. I am not a believer in magical solutions to this question. We should never underestimate the capacity of such a seemingly beleaguered, vulnerable system to deflect, evade, and defy and of course to do this to both adversaries and allies or former allies and benefactors alike. This is deeply unsettling both with respect to trying to build a sustainable, regional security order in Northeast Asia as well as profound implications for the breakdown, potential breakdown, of the MPT regime. Will other nuclear aspirants conclude that they, too, could pursue such a course of action? For this we have questions to ask, no answers, but the stakes could hardly be greater.

Thank you very much for your time.

MR. PRITCHARD: Well, thanks to the Brookings Institution for the opportunity to come up and talk about Jonathan Pollack's new book. I'm extremely pleased to be here.

I've got to tell you that probably the last time this type of an opportunity to talk about a book occurred while I was at Brookings. I had just joined Brookings about eight years ago, and I was sitting up here. We were going to talk about Mike O'Hanlon's book. Richard Holbrooke came up and sat next to me, and he leaned over and he said I

haven't had a chance to read the book. What's it about? (Laughter) Now I'm thinking I'm barely prepared to talk about the book myself, and now I'm going to have to give Holbrooke a 15-second synopsis of the book, and so I whizzed through a couple of things and he gets up and, you know, if you know Richard Holbrooke, it's as though he wrote the book. (Laughter) And I thought I'm not doing that again. I -- you know, I'm going to tell something different there.

But the point that I was make is there's a little bit of a confession here, because I'm probably a lot like Richard Holbrooke. I buy a lot of books, people give me books, I read the conclusion, I may read the introduction, if I really like the book I read a chapter that I like, and put it away. And then people say, "Oh, did you read you the book," and I say, "Sure did."

Now, in this particular case, you know, I swear that, you know -- well, I did, I followed my normal pattern. I picked up the book, I read the conclusion, and I said I like this, this is very much in line with what I'm thinking. So, I read the introduction, and that got me to read Chapter 1, 2, 3, 4, 5, and 6, and I ended up going oh, my God, I read the whole book.

But the point that I would make to you -- it is that type of scholarship -- you know, we started this program by talking, Ken and Andrew, about the absolute sterling scholarship that's in this book. And Jonathan also indicated that if you're really looking for the inside Beltway story, there are some other books out there, and this is not it. And he deliberately doesn't do this. His research and his focus is as he has said on the connections, the development of the North Korean story in its relationship with China and, to a degree, with Moscow.

And I found myself -- and Jonathan told me that to begin with, but as I

was reading the book and I'm thinking, you know, this is a wonderful back story -- and that's how I label this -- the back story of how North Korea came to the judgments that it needed nuclear weapons there -- and I got through that and I get through the American portion of that, which I'm thinking I know a little bit about this. I mean, I lived that. And then I go wait a minute, it was one page worth of American perspective of what occurred and there's no reference to me in here -- how, you know -- which is absolutely a credit to Jonathan that, as he says, there are other books out there to get the U.S. perspective. That's not what was missing.

And so I'm delighted that what my role is going to turn out to be is chief salesman for this book. And I say that, because when I finished reading the book I came back over to Brookings and bought three more for my office. So, they're now -- out of an office of nine people there, there are four books floating around, one for the library and a couple of others for the people who are most interested in this.

So, I think the way -- I've written some notes here, and I think I was searching for a way to describe this, and I'm not sure if I got it right, but I was suggesting that Jonathan has supplied the missing tendons, those things that linked. We've had pieces of the story before. We know the muscular part of how the story was here in the last 20 years, and we kind of understand how we got here for the current situation. But we don't have a good appreciation for how the North Koreans really got here.

So, let me do a couple of things. First of all, let me start with the conclusion where Jonathan talks about U.S. policy. And I want to read just a couple of little passages here. He says, "The ultimate goal remains nuclear abandonment by the North, but a more practical objective is risk minimization both in relations to the DPRK's extant weapons and in the potential transfer of technology and materials beyond

North Korea's borders." That's exactly where we are now. That is U.S. policy.

Jonathan ended his talk by saying that we're really not resolving the issue but we've got some additional things that we've got to take a look at, and I think that's a really good summation of U.S. policy. In his final words -- and you go to the last page and the last several words there, and he gives some guidance, and I think this administration and a future administration needs to pay attention to this. He says, "Until such time the United States, its regional allies and partners, and the international community as a whole must seek to ensure that this embattled system does not do larger damage to peace and security in Northeast Asia and beyond." I think that's absolutely critical. It's almost like a Hippocratic oath. You know, the patient is diseased but do no more damage. In this case, do not allow North Korea to do more damage.

One of the other things that I liked as I was reading some of the passages -- and I'm particularly interested in following the current developments that would be described as the transition process that's underway -- Jonathan tells you in very clear terms what was going on in the preparation of the transfer of power from Kim Il-Sung to Kim Jong-II at the time.

And I'm going to -- you know, if you've got your -- I almost want to say let's take a break, everybody go out and buy a book then come back, but I didn't think that would work too well.

But when you get a chance, go to page 113 and you'll get a sense of what was occurring as Kim Il-Sung was laying the groundwork. And he did this over a significant period of time. And Jonathan says, "Kim Il-Sung recognized that the KPA" -- the Korea People's Army -- "constituted a crucial source of political support for Kim Jong-II. The younger Kim had been indirectly involved with military affairs since the early

1980s, but his father now assigned him formal defense titles and responsibilities. He was appointed vice-chairman of the NDC in May 1990, supreme commander of the KPA in December 1991, and Marshal of the Republic in 1992." And he goes on there.

And it strikes me that there is an absolute parallel of what's being attempted now but on an accelerated basis. So, as you watch what occurred last September and in October and you see the appointment of Kim Jong-Un to the vice-chairman of the Central Military Commission, you see that his father, recognizing the need for that military credential, makes him an instant four-star general. And just to ensure that he's not lonely at the top, he makes his sister -- Kim Jong-Il's sister -- a four-star general.

And we see the placement of key people within the family to watch over the development, hopefully over a period of time, but if necessary a shortened period of time where the brother-in-law, Jang Song-Thaek, is on the sidelines for a while. He is brought back in. The constitution is revised. The NDC is expanded. Jang is made a member. Several months later, he's made a vice-chairman of that.

Now, this is about Jonathan's book, but I'll make -- but I am so struck by the parallels that I just want to add my own two cents here, because it got me to thinking there. And some of the titles and the necessary placement of key positions that Jonathan talks about with Kim Il-Sung to Kim Jong-Il I think are absolutely taking place. There was one article I think out of a Japanese newspaper at the beginning of the year sometime after February -- it may have been in early March -- suggesting that Kim Jong-Un had been named vice-chairman of the NDC. No other stories. No corroboration. KCNA did not make that announcement. But if you're to go back through in kind of like the old Soviet style and take a look at every time Kim Jong-Il makes a public appearance, who's

with him and in what order are they listed? What's their order of prominence there -- the pecking order, if you will?

And what we saw was with the appointment of Jang Song-Thaek as vice-chairman, he came to the top of the list outside of the traditional protocol of the president of the SPA. So, he was listed first. And then General Ri Yong-Ho. And then later when Ri Yong-Ho was made a vice-chairman of the NDC, he switched positions as a military four-star. He was later then made a vice-marshal. He became, in precedent order, in front of the brother-in-law.

Around the time of the birthday celebration of Kim Jong-Il this year we saw another movement. And this I believe is probably giving accuracy to the story that Kim Jong-Un has been named a vice-chairman, because for the first time he was placed in front of Ri Yong-Ho and Jang Song-Thaek and it's been that way ever since for all of the outings there.

So, I go back to the history and the scholarship that Jonathan has laid down to how important it is as you continue to watch this problem now.

Jonathan lays out the experiences of Kim Il-Sung during his wartime, his association with both Moscow and China, his absolute disgust at being at their mercy there. And you can just watch the development, if you will, of this idea of (indaubible) that it's almost the never-again, you know. So, it's the self-determination because of what I have experienced and I'm not going to be in that position before.

And the other thing that I like when you talk about the scholarship of this -- and I watched this develop over, really, 40 pages starting with page 53 then going through page 91, and I can list these, and that's trying to identify when a specific decision was made to go from the Khrushchev development parallel to the Eisenhower's Atoms

for Peace concept where the North Koreans wanted to get in the nuclear energy business to a transition to the necessity to have a nuclear weapons program. And I'm really pleased with the way that Jonathan has done this in that -- and let me give you -- I'm going to go through just some very short sentences.

On page 53 he says, "There's no definitive evidence of a North Korean program in archival material in the early 1960s." That becomes important a little bit later.

Page 72. "He concluded that a nuclear" -- talking about Kim Il-Sung -- "He concluded that nuclear weapons option was necessary to maintain strategic autonomy to counter the ROK's growing power and to support impending plans for leadership transition in the North." There's a lot that I want to talk about in just a second here that's very important.

Page 80. "It seems probable" -- so here you have the author taking his own scholarship and laying things down and making statements, which I very much appreciate -- "It seems probable that the DPRK's nuclear aspirations were triggered at least in part by the South Korean program." And I think this is something that we tend to overlook as the North Koreans from an economic point of view, from an industrial point of view, viewed themselves as the superior of the two. And as they began to watch -- and they could see in very quantitative measures -- that transition from superior to inferior, and then they watched the South Koreans' nuclear power development. I think that's absolutely critical in terms of how that's played into their decisions.

Page 82. "If there was an explicit nuclear decision, it probably dates from the early to mid-1970s. As noted earlier, some observers contend that Kim made the decision in the early 1960s that this would have been more of an aspiration than a viable weapons decision."

And then on page 91, "Kim Il-Sung had concluded that a nuclear weapons options would enhance Kim Jong-Il's consolidation of power."

Now, my two cents with that last one -- this is exactly why North Korea will not give up its nuclear weapons during this current transition. I mean, you know, we're not reinventing the wheel, and Jonathan has done a wonderful job of giving us the precedence of why it was so important then in the development of a decision of why nuclear weapons were so important for the survivability and the longevity of the Kim family and the regime. You must take that and understand that it's exactly why, regardless of what anybody will tell you, North Koreans are not going to give up their nuclear weapons program.

One of the things that struck me as a former negotiator -- on page 110 Jonathan says, "Nuclear diplomacy bought time and repeatedly raised expectations, which were then stymied by disputes over details or abrupt changes in the North's negotiating tactics." And I'm going lights on, this is exactly what happens. And so when you think about what's occurred most recently in January where the North Koreans went from a year in 2010 of violent provocations against the South Koreans to a joint editorial statement for which Jonathan talks about the importance of joint editorial statements with regard to Kim Jong-Il. But in January they come out and they essentially said let's forget about what happened in 2010 and let's focus on life and sweetness in 2011 and, oh, by the way, we're prepared to come back to Six Party Talks. Of course, it helps modulate the relationship with China, and, as Jonathan points out, there's no risk here for North Korea. They can be engaged in a discussion about denuclearization. They can even go back and point to the -- as Jonathan points out in his book again, you know, it's the death behest of Kim Il-sung that there be denuclearization on that.

You know, they can put that on a big banner and hang it on their table during the negotiations, but it does not mean that they are actually committed to that. To the contrary, it is a device, as Jonathan points out, that will allow them to have time to improve their relationships with other people.

So, my comments to you are, you know, this is not a history lesson. This is scholarship at its finest. It has developed the story that we can best understand it. As a former negotiator, you know, this -- where were you, Jonathan? You know, where were you in my education that would have helped out and do a better understanding as we look to the problem today and the potential for where it's going and what the United States and its allies ought to do?

So, with that, thank you very much.

MR. LIEBERTHAL: Thank you, both of you.

Jonathan and Jack will stay up and do Q&A. I'll moderate that.

While they're getting mic'd up, I wonder whether I can take the prerogative of the chair just to ask the kickoff question. You can respond when you get mic'd up.

I was sitting here thinking of several different ways of asking this question. One crude way would be, with regard to North Korea, therefore was Bolton right? Right? Or, to put it differently, Jack, if you had read Jonathan's book before you began negotiating with North Koreans in the 1990s, would you have bothered negotiating? (Laughter) In other words, what, at the end of the day, could negotiations feasibly accomplish that is of value, given what we know of this history now? That's the bottom line question. Maybe Jack and then Jonathan.

MR. PRITCHARD: Yeah, I won't -- you know, I won't be overly flip, but,

you know, there's the fear that during the confirmation process in November of 2001, as John -- Senator Kerry was asking me things, I might just have said oh, never mind and walked away.

No, there's a reality here that I think, as I mentioned, that you really do need to have the sense of what's motivating and what's possible before you can begin to steer the negotiations in a way that takes advantage of the potential flaws in how North Korea begins to see and what they're capable of doing. So, it would have been very helpful.

You know, we had just, if you're interested, the substitute of that in our -- at least in my life of negotiations in my efforts there -- and that was the form of Bob Carlin, who would act as the North Korean voice of why we would or would not accept a particular negotiating position. But a lot of what he was trying to say and to tell us is wrapped up into the history and the scholarship that Jonathan has done that, you know, we could have gotten rid of Bob early on -- I'm being facetious.

MR. POLLACK: Several things, Ken. Now, there's an old argument that negotiations, even if not definitive, buy you time. The question is time for what? I think that looking back on the John Bolton argument, in a way making as that he did made life easier for North Korea to pursue unambiguously the kinds of activities that for a period of time under the Agreed Framework had been constrained. As I said before, I didn't mean that the Agreed Framework was a solution, but to the degree that there was a means by which you could hold North Korea to at least some measure of at least -- I don't want to call it restraint but maybe that's an operative word -- that there was something to be said for it. By having challenged them frontally and by not asking what would happen if we simply, you know, let go of all the assistance that was being provided the North through

energy compensation in the late 1990s, the administration -- the Bush administration needed to ask what was the fallback? Where might that leave it?

I think, frankly, without trying to revisit too much of that history, I don't think that the Bush administration ever really asked themselves whether North Korea would be capable of doing what it proved itself able to do. They did this in utterly transparent fashion. They said here's what we're going to do, and then they did it.

At the same time -- one last point -- is that the administration was very preoccupied by the impending war with Iraq. There's no question about that. Therefore, North Korea was not on the radar screen. But I must say, Iraq was on the radar screen in North Korea.

MR. PRITCHARD: Ken, if I can supplement this, because this is a terrific area that Jonathan brings up, and that is of energy provision.

One of the things that we remind ourselves is how quickly the North Koreans walked away from agreements. But one of the things that they were aggrieved over was the implementation or the provision in the manner in which they believed it to be done of heavy fuel oil. We were obligated under the 1994 Agreed Framework to provide 500,000 metric tons of heavy fuel oil. Now, compounding the problem for North Korea --

MR. LIEBERTHAL: Per year.

MR. PRITCHARD: Per year.

MR. PRAGER: Per year.

MR. PRITCHARD: Per year. Compounding the problem for North Korea is they do not, did not, do not have the capacity for storage, and so for them it was critical as we worked out the details that we would be providing this in increments in regular

shipments, you know, each month or every six weeks or so, so it would flow in 50 to 60,000 metric tons at a time. They'd put it where it was needed. They'd use it. The next shipment would come.

But from the U.S. political situation and the change of control of the House of Representatives, etc., we were constantly battling to get that amount of money that was necessary. We were struggling to get others to contribute to that as oil prices were going up, and we'd go to the administration and say well, we need \$50 million this month, we need a \$114 million at a peak period. And we would go some several months without deliveries for which the North Koreans would just be aghast, because this would be shutting down industries there. And as you take a look at some of the emphasis that Jonathan places on Kim Il-Sung saying we can't afford to wait the six years to build these nuclear power plants; we need other sources. Well, this is part of the other sources, at least in the interim, that they needed, and we weren't on a steady flow providing it.

MR. POLLACK: I will say my own sense was as of the time the Bush administration came into office the plutonium program was locked down firmly.

MR. PRITCHARD: Yes.

MR. LIEBERTHAL: And I thought that could be continued indefinitely, frankly, so long as we met the energy requirement, part of the agreement, and the Bush administration by backing away from the Agreed Framework effectively let the cat out of the bag. Now, what's not clear to me is whether they would lock down the plutonium program long-term simply because they had a secret ATU program that was going to backfill and give them the capability they needed. I mean, that is a sobering thought.

Let me open this up for Q&A. We just want to mention that we have roving mics. Please wait until a mic comes to you. Please first identify your name and

your affiliation; kindly have all questions ending with a question mark. Feel free to direct questions to either Jonathan or Jack or both or neither of the above, and anyone can answer, and I want to remind everyone, all of this is on the record.

Okay, I think, Richard, you had a question, and then we'll work our way around.

MR. BUSH: Thanks. Richard Bush, Brookings. Thanks, Ken.

Thanks, Jonathan, for a great book. I have a history question. What do we know or what do we suspect about Kim Il-Sung's early views on the role of nuclear weapons in international security affairs? Do we know what he thought about Hiroshima and Nagasaki? About Dwight Eisenhower's threats to use nuclear weapons at the end of the Korean war? About China's acquisition of nuclear weapons and all that it meant? Thanks.

MR. POLLACK: Richard just asked questions that hop scotched across the decades. Let me at least try to provide an answer.

I think Kim Il-Sung had a very early awareness of Hiroshima and Nagasaki, because the use of weapons against Japan coincided almost precisely with the time that Kim Il-Sung was trying to re-enter the Korean Peninsula from the Soviet Far East. And though I cannot attest to it in a document, I am convinced that Kim believed that or asked questions about what was this incredible mode of force that enabled/compelled Japan's surrender after several decades of major conflict, made Japan collapse even on the peninsula, and denied, frankly, Kim the role that he sought as the liberator of the Korean people.

So that, and then of course a variety of threats from the United States -- how seriously can Kim took them we don't know. We do know that the impact the

devastation wrought on North Korea during the war was so powerful, so extraordinary that even in one of the cold war documents we see Kim Il-Sung communicating with Mao just saying, in 1952, that he was ready to throw in the towel, but they couldn't take anymore of what was happening.

So, in a curious way, I think that the weapons activities or the threats or the consideration given in various quarters in the United States added further fuel to this fire. I don't just want to sort of say that there was no impact at all of what the U.S. was doing. It also validated Kim's own belief that nobody should be able to tell me that I shouldn't have these weapons if that's the means by which I'm going to be able to remain independent of the United States, but it'll be a nice thing to have in addition to all the other forms of assistance that China and the Soviet Union in particular were providing them.

MR. LIEBERTHAL: Thank you.

Chris?

MR. NELSON: Thank you very much. Chris Nelson, *The Nelson Report*.

I had a chance to read the book on the plane on the way out to Shangri-La and had the same reaction Jack did. Boy, you know, this gives you primary sources from both Soviet and Chinese archives that are irrefutable in many ways. I also, despite the incredible administrations of Singapore Air, arrived pretty damned depressed, because (laughter) it leaves you with this conclusion that at best we're talking about a containment strategy.

But my question -- and I want to thank Andrew for reminding us that in Secretary Gates' speech he uttered certainly something that could be interpreted as a

threat, because it clearly said that American core interests would be impacted by the successful weaponization and development of North Korean ICBMs. The next day General Liang gave his speech, which was in many ways a reaction to that, not a rebuttal, and Liang said something very important, I thought, and I made a big deal about in my report, and that's what I want to ask you about. Liang said something I have never heard from a senior Chinese official, that we don't know how much interaction the Chinese, both civilian and military, have had with all levels of North Korean officials. He basically said state, national, and local. "All levels" was his word. And in the room we certainly heard him in effect taking some semblance of ownership over North Korean behavior. Why would he say that if he didn't want us to think they were working hard to deal with the very concern that Gates raised, that, you know, if these guys really do get a successful ICBM we're going to have to do something?

MR. LIEBERTHAL: So, your question is?

MR. NELSON: So, that is -- my question is have you had a chance to look at what General Liang said? Is your sense that the Chinese really are working on the North Koreans in ways we have perhaps not seen recently? And from what you've learned in your scholarship, is there any chance that the North Korean leadership will respond in ways that would at least help us meet our containment goals?

MR. LIEBERTHAL: Thank you.

MR. POLLACK: Let me make a distinction in the questions you've posed, because I think General Liang's comments were less about nuclear weapons. They were much more about North Korea's use of force directed against South Korea, specifically the sinking of the Cheonan and the shelling of a Yeonpyeong Island. And his argument was, in essence, China's interventions at that time did much more good than

you, outside of China, understand and realize.

Indeed, I think that there may be some reason to believe that at critical junctures, China has sought to use its influence. But it's a very momentary influence. It's triggered by specific North Korean events, which, I might add, one of the reasons it caused China great grief is because of the implications of a potential for a larger regional crisis that ineluctably, as with the Korean war, would draw China into this equation in ways that I don't think the Chinese would, shall we say, find particularly helpful.

Now, China routinely -- and certainly nothing General Liang said contradicted this -- continues to emphasize the resumption of the Six Party Talks and the persistence in trying to find a diplomatic way out. Given that China has been so directly linked as the sponsor and host, that really shouldn't surprise us. The problem I have, however, with a lot of those arguments is that the Six Party process is a process. It's some kind of a context in which people meet. It doesn't really say what gets done in the context of that process, and the abiding American skepticism has to do with what were commitments that were made under the Six Party process that North Korea then subsequently walked away from.

One other point about Secretary Gates' very carefully chosen words. He said, as Andrew noted, that North Korea was in the process of becoming such a threat. Now, he didn't state specifically what the United States would do. I certainly did not take it as an indication that the U.S. would attempt some kind of a preemption of this. I mean, we have a lot of experience in dealing with other states that have nuclear weapons. We're not -- you know, it's not heartening news but you do what you have to do. So, I take it very, very much as, if anything, underscoring an unambiguous deterrence threat that the U.S. seeks to make, as well as I would presume heightened efforts with respect

to missile defense if in fact North Korea ultimately demonstrates a means by which it can reach American territory with a nuclear weapon on top of a missile, which is a different but equally important question.

MR. LIEBERTHAL: And presumably missile defense in the region is not something China wants to see, so it's a way to get the Chinese more --

MR. POLLACK: Absolutely, that as well. Thank you. Yes.

MR. LIEBERTHAL: Yes, over here?

MS. PEARLMAN: Thank you. This is very informative. Diane Pearlman, the School of Conflict Analysis and Resolution at George Mason.

A lot of the approaches that we're talking about are, you know, coercive deterrents to try to get them to stop, and, you know, you said yourself that North Korea was triggered by developments in South Korea and no doubt pressure from us. So, my question is about that we had a different approach during the Sunshine Policy and that it seems that coercive approaches are highly likely to produce the opposite effect, so something more, you know, rather than deterrence may be more assurance, tension reduction, helping with basic human needs, legitimate goals. So, was there any -- could you just speak to that, and is anyone doing anything, and I think it's tragic that we lost the momentum from the Sunshine Policy.

MR. POLLACK: You raise an interesting question, and I'm glad you raised it. I think the lesson of that period, however, is not just simply about assurance. It's also about compensation. And let's be frank. Kim Dae-jung wanted very, very much to be the first South Korean leader to travel the North, and he succeeded in June 2000. He paid \$500 million through special Hyundai bank accounts or Hyundai sources that then went to the Bank of Delta Asia in Macao, and on that -- that's the price that Kim

Dae-jung had to pay in order to get to the North. Indeed, buried in the footnotes in my book you'll find reference to the fact that Kim Dae-jung's visit was actually delayed a day -- the summit was delayed a day until basically Kim Jong-Il could be sure that, if you will, the checks had cleared.

Now, you could argue sometimes that you should throw money at a problem. But I think that this created an exceedingly unsettling prospect. No doubt, if you convey through your actions and words that in essence you are prepared to conciliate and compensate North Korea for its actions, then from a North Korean point of view, particularly at a time when, frankly, the Chinese were not providing nearly what they do today, and certainly the Russians no longer existed to provide that, so Kim Jong-Il was getting a lot of dough for the occasion. Whether he was -- whether the South was getting what it really needed and wanted over the longer run begs a very complicated issue within South Korean domestic politics that remains totally unresolved to the present. There's deep polarization continued in the South Korean system. Indeed, it may well be that part of what North Korea hopes for is that with the next presidential election coming up in 2012 in South Korea, they will again get a South Korean president who is more to their liking. And that's going to be one of the battleground issues, frankly, that come up.

So, again, North Korea always likes options. That's understandable. Any state, you could argue, would want options. And certainly the Sunshine Policy and the Policy of Peace and Prosperity that followed from it meant that the North had options independent of the United States and in ways that also created great sources of tension between the United States and its South Korean ally.

At present, the relationship with the current government in Seoul, the Lee Myung-Bak administration is much closer with the Obama administration, but, you know,

these underlying strains and alternative arguments may yet again come to the fore. The problem, however, is that there's a lot of water over the bridge now -- a lot -- and now, with the unveiling of the enrichment program officially -- and we don't where else there might be other enrichment activity underway -- North Korea has another very, very potent card to play. But I don't think it's really a card so much as a device that will, in their judgment, buy them some protection and elicit various forms of assistance.

MR. LIEBERTHAL: Yes, here, please.

MS. STEWART: Hi, I'm Lisie Stewart.

So, the Nuclear Security Summit in Seoul 2012 is coming up, and what sort of actions do you anticipate from North Korea in the upcoming months on the way to the summit? Are they going to be positive or negative? What's sort of your view?

MR. POLLACK: The scheduling of the Second Nuclear Security Summit for Seoul was done in a very, very pointed way, perhaps indicative of President Obama's belief that South Korea needs to be elevated as a factor in global security and as more of a global presence. Many of the issues at the summit of course will be independent of what goes on in North Korea. But I think that the issue here for North Korea is if it does choose to try to not so much undermine the summit per se -- I mean, except in political terms -- that the real concern is over, again, this precise elevation of the ROK's international role in a way that makes North Korea look like very much damaged goods. Now, I know President Lee extended an invitation subject to North Korea giving up its weapons capabilities to come to Seoul. That strikes me as highly fanciful. It's being done more for political effect than out of any expectation that it's going to yield the kind of outcome that in theory one would wish.

But I think that the larger question here is how does North Korea deal

with the fact that South Korea's presence, its diplomacy, its economic power, its political weight continue to rise even as North Korea remains holding on to these, you know, bedrock convictions about standing apart from the international system. China gives North Korea some breathing room here. There's no question about it. But it doesn't address the bigger issue of how does North Korea make its way in the world, and can it do it in a way other than by coming to some kind of genuine lasting accommodation with South Korea? On that I'm, frankly, not at all optimistic. Not at all. Maybe to a degree on both sides of the 38th parallel. They don't really much care for one another, to say the least.

MR. LIEBERTHAL: Anyone in the back of the room? Yes.

SPEAKER: Thank you. My name is (inaudible) from Mitsubishi Heavy Industry.

Japan is located very close to the peninsula, and nuclear weapons can very easily lead to Japan from North Korea, and in the case actually nuclear weapon dropped on the Japan and now unfortunately Japan received the nuclear bomb after Hiroshima, Nagasaki, and then. And what is the -- do you expect what the influence of the world economy and also what do you expect the Japanese government reaction?

MR. LIEBERTHAL: I'm sorry, that is if North Korea drops a nuclear weapon --

MR. POLLACK: Or would somehow get a nuclear weapon that would be used against Japan.

You've asked a very alarming but hypothetical question, and there's an old argument that one should never answer hypothetical questions.

From my own perspective, however, any possible use of a weapon

against Japan would be about as worst a case as imaginable in the world simply for the fact that Japan would then yet again have been the victim of the use of nuclear weapons, the only state against whom such weapons would have been used. I'm not, however, making an argument that North Korea is building these weapons to use them. It has them in, if you will, a reserve capacity. But I do think those deeply embedded historical animosities against Japan are certainly one definite factor in the thinking of the North. But, again, this is to underscore that the United States and others must make unambiguously clear to North Korea that however much we take deep offense at the weapons that they do have, any use, any threatened use of such capabilities, will be absolutely impermissible by any standard of international politics that we understand.

One other point that I would just highlight. It is something of an American conceit that the presumption would be well, you have to put a missile on a warhead and it has to be able to reach the United States. The threats that North Korea has right now are not necessarily all the use of a missile, and they are very much regional. They draw every state around their periphery, even states with whom they deal. I know China, for example. Some Chinese have objected -- those who live in the Northeast, that they felt their homes shake when North Korea conducted a second nuclear test because the test sight is less than a hundred kilometers from the Chinese border. So, in this sense, North Korea's nuclear activities affect everyone and not just in the most acute of crises.

MR. LIEBERTHAL: All right, yes, sir.

SPEAKER: Thank you. My name is Shi Wenyuan. I'm with the Voice of America, and I have a question on the economic side, so the question goes to both scholars, including you, Doctor Lieberthal, if you're interested.

Last week China and North Korea had a signing ceremony in Northeast - in Korea regarding the two economic zones along the Yalu River and then Northeast -- North Korea I guess. It started a number of projects, which include improvement of the Rajin port. To what extent do you think the start of these economic activities can be explained by the ongoing tension between the North and South?

And the second part of the question is -- this is from the South Korean press coverage, which says that the Chinese press actually kept a very low profile reporting these events. The theory is that it doesn't want to give it too much publicity to anger the United States. So, the larger question, the second part of the question is if these projects do go ahead in the coming years, do you think at a certain point it may become an issue with ongoing U.N. sanction over North Korea, which is of course strongly supported by U.S.?

MR. POLLACK: Thank you for your very good question. It's important to note that the way the Security Council resolution following the nuclear test in 2009 was drafted, it has a sufficiently elastic quality that the Chinese can and do argue that what they are doing is not in defiance of the sanctions since the sanctions do not place any restrictions on normal economic collaboration between states or to humanitarian assistance.

Now, the Chinese are walking a fine line, however, because it does seem to me that the increase of their assistance to the North, and the North's growing dependence on China where perhaps now 75 or 85 percent of North Korea's trade is with China, creates the problem of divisions within those trying to inhibit North Korea's nuclear weapons development since North Korea yet again has an option. They have a means by which a major actor in the international system is prepared to facilitate their economic

-- progress is one possibility if it goes to some kind of fruition. This is by no means the first time that China has tried to undertake collaborative projects with the North. Others have not come to any kind of successful realization.

I might add that -- and I talk about it in my book -- that Deng Xiaoping from literally the time he first came back into power sought to coax and cajole Kim Il-sung with whom he had a close relationship to think about undertaking some kind of an economic change, something more along the lines of what China has undertaken. Again, it's one of the failures that Deng had, because he never succeeded at this.

So, it may be that No. 1, the Chinese feel that this may be an indirect way, given that these are zones that would be restricted such that North Korea would not feel alarmed at the possibilities of the outside world seeping in too much and that it could, over time, facilitate the North's economic development to an extent, because I think, frankly, it is an open question, still, about the capacity of North Korea to recover from the extraordinary implosion of their economy that took place in the 1990s. So, China for its own reasons sees a necessity of undertaking these activities.

But I think you're right. The Chinese are not overselling this. They fear, in some sense, that this could trigger responses from the United States on happiness from the United States over the scope and scale of this. To this point, it's still really quite modest in the way of undertaking. It's more a provisional possibility, and if there's one thing we should learn with North Korea, it's that all prices are subject to change without notice. So, I think some caution about how far and how fully this realized -- if the Chinese want to put resources in, I think the North Koreans are very, very happy to oblige them so long as they find it useful their own purposes.

MR. LIEBERTHAL: Jack.

MR. PRITCHARD: Let me approach this a little bit differently, and I'm going to use a passage out of Jonathan's book to make a point. Jonathan points out that in October of 2005, Hu Jintao made his first visit to North Korea, and in January of 2006 Kim Jong Il made a return visit and was asking the Chinese at that point in time for economic assistance, etc. It was not forthcoming. And Jonathan tries to connect the dots and say this is part of the reason why the North Koreans went ahead with their October 2006 first nuclear test -- kind of I don't know if it's in your face for the Chinese: You're not going to help us -- we're going to punctuate a point here and we want you to learn that lesson.

Not this most current visit by Kim Jong Il to China but the previous one we get reporting of Kim Jong Il requesting from the Chinese, from Hu Jintao, military assistance for which he was turned down. Now we've gotten the initial reports on this latest visit to suggest that Hu Jintao yet again turned down an economic request. But yet what you're referring to suggests that it may not have been the case or the level of which perhaps the Chinese had moderated part of the request.

So, what I find interesting is -- and we will eventually find this out -- what's the relationship between the request and the giving by the Chinese? Is it defensive in nature? Is there, in the back of their mind, that in this period of time so close to these violent actions by the North against the South Koreans at a point -- as you recall, Kim Jon Il comes back from China. The first thing out of the National Defense Commission is we're cutting off all of our activities with the South and we're going to wait out Lee Myung-Bak. We have nothing more to do them. So, is there a concern in the back of the Chinese mind that something bad can happen in connection with this? So, do we now need to move forward in some limited element in a safe, relatively controlled

zone, downplay it publicly, etc.?

We don't know this, but it's a very important question, and I enjoyed linking it to Jonathan's scholarship.

MR. POLLACK: If I could just add a two-finger intervention here. I think that Jack's rendering reminds us that the Chinese are not speaking and acting with one voice here. There has been major debate over what to do about North Korea at least from the time of the breakdown of the Agreed Framework. And it seems clear that some constituencies, bureaucratic constituencies, in China see the basis of using some form of economic assistance as a means by which you will inhibit behavior that would be even worse coming out of North Korea. Now, that could be either right or wrong. We can have our judgment about it. But it does indicate to me that there is a constituency in China, and I think it goes right to the top-level decisions -- the Politburo Standing Committee -- that despite all the other failures in the past of getting North Korea to do what China would seek, that the consensus position remains we have to try again.

Now, do the Chinese know something that we don't? Are they putting down a bet on what comes after Kim Jong II? Could be. And it may be that it looks like a sound investment from their point of view. But I think we need to be mindful of the fact that despite what General Liang said in Singapore, I'm not at all persuaded that the Chinese have that kind of reach into the North Korean system that presumes that you can really control and regulate their behavior. Only under the most extreme of circumstances and then not all that often.

MR. LIEBERTHAL: It also is another reminder, as your book details so nicely, that the North Koreans play the Chinese as much as they play us.

MR. POLLACK: Absolutely. Absolutely.

MR. LIEBERTHAL: Wonderful folks to deal with.

We're going to have to have shorter questions and shorter answers if we want to have any hope of getting through all the hands that are raised here.

Back here.

MS. LAWRENCE: Hi, Susan Lawrence with Congressional Research Service.

I just wanted to come back to the comment that Gates made in Singapore about the ICBMs in North Korea being a direct threat to the U.S. He actually made that statement for the first time in China in January.

MR. POLLACK: Correct. That's right.

MS. LAWRENCE: And I read it then as him trying to raise the North Korea issue and the U.S.-China relationship to the level of Iran, to say that this is a core national interest for the United States. Iran is a core national interest. That's something the Chinese seem to have worked into their system, and they're now quite careful about what they do in Iran. And it was an attempt to say North Korea's the same - - North Korea's a core national interest for us, too, and we'd like you to -- we're going to start measuring the U.S.-China relationship on that basis as well, so, you know, watch out there. And I'm just wondering, is that analysis correct?

MR. POLLACK: Well, Secretary Gates, of course, is a short-termer right now. But I think that what he said was I think in part induced by trying to remind China that over the longer term North Korea does pose a presumptive risk to a direct American interest and that the United States will perhaps regard that as one evidence of an issue of potential strain but at the same time that the United States will not sit with its arms folded and that that will have consequences for how China sees its interests. So, you know, we

can parse this any number of ways. I think at some level he was stating in his judgment of what is, if not a realized fact, the direction in which he believes North Korea is now headed.

MR. LIEBERTHAL: Jack?

MR. PRITCHARD: Yeah?

MR. LIEBERTHAL: Did you have anything to add to that?

MR. PRITCHARD: No, I'm not fully convinced that Secretary Gates believes that it can become a core issue there. Nobody else in the U.S. government believes that with regard to China and our ability to leverage the Chinese with regard to North Korea. So, I wouldn't sign up all the way to that.

MR. LIEBERTHAL: Yes.

SPEAKER: Good morning. My name is She Lanxuan, and I am a student at Swarthmore College and a current research intern at Institute. for Policy Studies.

And so I read about the research work of Dr. Wang Huiyao at the China Center about, like, how Chinese foreign-educated returnees are able to shape the future of China. So, this actually makes me wonder about, like, if North Korea sends more people to study in the West and these people, say, like when they return to North Korea and take over power, will they become more cooperative with the rest of the world, especially Western powers, and what are the chances, then, North Korea is willing to send its people to study in the West?

Thanks.

MR. POLLACK: It's a very good question. Certainly there are North Koreans who go abroad for either education, training affiliation with U.N. agencies,

and the like. These are all factors. These tend to be, I believe, children of core elites for the most part. Whether it injects new ideas into the system, I think in a certain sense the answer is inevitably yes. But the scope of that and their ability to make something happen -- that's the question mark, frankly. So, as always, the issue here is, is there a means in this most self-protected of systems to see ideas percolate, to see information percolate and so forth, because people believe that it is somehow connected with the presumption of loyalty that the citizens have to the North Korean state. So, again, I think that these activities will continue. I think, though, that the leadership is exceedingly wary about letting too many kids abroad and for too long in terms of being exposed to the outside world. It's one of the reasons that they're still standing.

MR. LIEBERTHAL: In other words, don't count on it.

Yes, in back?

MR. MAULL: Thank you, Hans Maull, Transatlantic Academy. Thank you both, and congratulations, Jonathan, on the project.

You paint a very somber picture of the present situation, I think rightly, but there's actually one element that you did not mention yet, and I was just -- I wanted to check with you. It may be in your book, which I haven't had a chance to read yet. And that's what's conventionally called the North Korea implosion scenario. I'm not sure whether that's a very good term. I think of it in terms of rupture, but I think the possibility of a political rupture with a system that is clearly very strong but also very brittle is significant. I just wanted to check with you what your sense is on that.

The second question goes to both of you, really, and it relates directly to that. Obviously, in this situation that you are painting, the quality of what you might call the strategic dialogue between China, United States, and South Korea is absolutely

critical. And I just wanted to get your sense about the quality of this strategic dialog on the issues that North Korea poses.

And then my last question, again to you, Jonathan --

MR. LIEBERTHAL: I'm sorry, I have to ask you cut it there, because there are a lot of others who want to ask questions, okay?

MR. MAULL: Okay, thank you.

MR. LIEBERTHAL: Two questions, Jonathan and then Jack.

MR. POLLACK: Hans, it's good to see you, and I'm sure we can talk further.

It has been a repeated American conceit, much of it centered on this town, that somehow or another collapse is inevitable and it gets woven into the different kinds of policy stories. It is remarkable, of course, that 20 years after the end of the cold war and the collapse of both Soviet rule and of course Eastern European rule North Korea is still standing. We can speculate about the reasons why, but I think that for a variety of reasons this is a much more durable, resilient state than people realize. It even has within the DPRK a certain kind of authenticity to its citizens that is often not appreciated or understood in Washington. Now, does that erode over time? It could. The question here of the circumstances under which there could be some kind of a rupture or severe stress is something that I think we continue to follow. But I don't think that policy per se should be based on some kind of an expectation that inevitably North Korea will just sort of, you know, disappear into the sunset. Quite apart from the fact of the how that that would happen is at least as important as to whether it would happen. So, that's tied to question No. 2.

The question of whether or not the United States, South Korea, and

China have an intelligent, ongoing discussion about what to do, the what-if scenarios, and the answer very simply is no, we don't. Certainly there are a lot of interactions that go on between the U.S. and the ROK as allies. The Chinese tend to be much more careful about entering into these kinds of discussions for a host of reasons, many of them very sensible, not the least of which whatever modest ability they have to make inroads into the North to have kind of a voice or impact or the ability of Chinese to meet with senior North Korean officials. If it becomes apparent that there is a highly developed dialogue or triologue among the U.S., China, and ROK, I think that would put that at risk, to put it mildly. It's a sensitive issue, very, very sensitive issue, because again the fact that it may be an unlikely outcome does not mean it is an impossible outcome, and it is something that I think will repeatedly come to the fore as we try to struggle with how do we get from here to there, wherever "there" might be.

MR. LIEBERTHAL: Jack, anything to add?

MR. PRITCHARD: Well, let me say that without underestimating the durability of North Korea, we have periodically read the demise or the potential demise, and it hasn't turned out to be that correct. I'm rapidly coming to the conclusion, and it's very difficult for me to see how North Korea survives the coming transition from Kim Jong Il to Kim Jong Un in the manner in which they're trying to play this out. And my point that I would make -- there's too much of a zero sum game with regard to the very deliberate elevation of the military and its current status and what is necessary to preserve or to move North Korea into the future, the reforms, the economic things that will need to go on I don't believe Kim Jong Un has the standing, the credibility, the stature to do that. And if it were to be attempted, it is this zero-sum game that will take away from the military and could very well lead to what you describe as a rupture there. This is

not a well-defined thought on my part, but it's something I'm very concerned about at this point.

MR. LIEBERTHAL: Okay, given the limitations of time, I'm going to take three more questions. I'm going to ask that we get all three questions out and then I'll the two speakers say what they will in response.

Okay, please. Please keep the questions short if you can.

MS. KIM: Okay. Hello, my name is Claire Kim. I'm an intern for the State Department.

My question today is if the U.S. and international community did shift its focus from denuclearization to containment, first of all how effective do you think that will be, seeing that, you know, North Korea still has some kind of sponsorship from China, and what do you think their reaction will be? Do you think they will back down, or do you think they will see it as a provocation for confrontation?

MR. LIEBERTHAL: Thank you. Other questions?

Yes, ma'am.

SPEAKER: Hello, my name is Ka-ho with NHK Japanese TV. What do you think would happen after North Korea will do their third nuclear test, as you mentioned, with an HEU? What do you think would be the presumable international reaction?

MR. LIEBERTHAL: Okay, the questions are hypotheticals here. Yes.

MS. WYNN: Yes, I'm Jeannie Wynn with the Voice of Vietnamese Americans.

To what extent do you think the dialogue between U.S., China, and North Korea will affect the current tensions in the Southeast Asian Sea?

MR. POLLACK: I'm sorry, can you --

SPEAKER: That the --

MR. LIEBERTHAL: -- where?

MR. POLLACK: The current tensions where?

SPEAKER: The South China Sea.

MR. POLLACK: Oh, oh, oh.

MR. LIEBERTHAL: South China Sea. Yeah, okay, fine. So, to what extent --

SPEAKER: And the Pacific Ocean as a whole. South China Sea is a focus, but more or less the Pacific Ocean.

MR. LIEBERTHAL: California? (Laughter) I'm joking. I'm sorry.

Jack, why don't you begin, and then Jonathan.

MR. PRITCHARD: Yeah.

MR. POLLACK: Okay.

MR. PRITCHARD: Well, let me suggest that as Jonathan has ended up in his conclusion in restating what the reality of U.S. policy is, there's a practical sense that this administration -- and I would suggest any administration -- is not going to state that our policy is containment. It is denuclearization. Now, we're not getting there. We're not moving to resolve that issue. But -- so, yeah, I think you have to reframe the question a little bit there.

So, you know, how successful will the containment be? I think it is directly in correlation to what North Korea does. If we see additional proliferation as we saw through their assistance to Syria, then there will be a declaration that this containment policy, however it's defined, failed, and so as Jonathan points out, we've got

to be very, very careful that we do not do further damage to the current situation. It's going to be very tricky. You know, when you -- I won't get into a criticism of the administration's policy, but when you're not active you risk turning over to the North Koreans the ability to change the future in a way that you don't particularly like.

MR. POLLACK: The problem I supposed with a formal shift in stated U.S. policy is that by implication it accepts the -- I mean, obviously we recognize that they have nuclear weapons, but we do not want to confer any kind of permanence to these capabilities. Now, that doesn't answer how you get from here to there. I understand. I mean, I think people are very, very mindful of it. But it has to be part and parcel of how to constrain the potential negative impact of the continued pursuit of weapons and missiles by the North.

Now, Jack is absolutely right. There is a kind of underlying tension here if it is perceived that the administration has no means or course of action by which it tries to limit some of the risks here, and that presumes some form of -- or consideration given for some form of contact, which is not negotiation per se. So, the administration's walking a very, very fine line here. But what it does not want to do is to replay the tape, find ourselves yet again on a course of action from which, in effect, North Korea will have advanced the ball further, and find ourselves stuck in that same story yet one more time.

Let me be clear about the presumption of a third test. I am not saying it is inevitable. I am simply saying that if there is a third test, I would believe it would be an HEU test -- for one very simple reason. It underscores yet again North Korea's claim to have equivalence with the other nuclear weapons states. So, therefore, you would have demonstrated the ability to use a different path, a different weapons design, but underscoring the commitment that they have, they have options. More than this, in the

estimates of Olli Heinonen, formerly of IAEA, what an enrichment capability enables North Korea to do if it pursues HEU -- and that's an "if" -- we don't know, we can't confirm it, it's not easily traceable, there's no telltale chemical signature, and so forth -- but that he could see North Korea' having with what we know they presently possess as being able to replicate by the end of 2012 the same amount of -- enough fissile material to basically duplicate what they have with plutonium. Now, that's -- and they would have it in a modern facility. So, that's a very, very worrisome equation. I'm not saying we are there yet at this point. But that is something that I think the administration is focused very, very keenly on.

The question really to my mind is how much does that worry the Chinese, in particular, as opposed to just being, if you will, passive and acquiescent to what might materialize.

I'm going to defer the question on the South China Sea, because I don't - you know, that's a whole topic. That's worthy of an entire separate event here. I don't see any intimate connections between this except insofar as the United States and others have to ask fundamental questions about what is this regional order in the Asia-Pacific region with which we are presumably aspiring to build, and can you do it if you have states that are truly outside that process or undertaking actions that really undermine the peace. That is a fair question, but I hope we can schedule future events on that.

MR. LIEBERTHAL: I know we still have people who want to ask questions. Unfortunately, we are out of time.

I want to again thank CNAPS, and let me say, as always, the staffs of our two centers, CNAPS and the Thornton Center for all the great work they did in putting this on. I also want to thank Andrew for coming over from IISS and IISS's association

with this book -- and did they actually sponsor it or did they --

MR. POLLACK: They were the publishers of it. I should make a note of thanks, deep thanks, to the McArthur Foundation in Chicago, which gave me the time to produce the book.

MR. LIEBERTHAL: Okay, good.

And last but by no means least, obviously we want to thank Jonathan for writing the book and keying up this session and Jack for coming over and contributing so effectively to it.

Please join me in thanking both of them.

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Phone (703) 519-7180 Fax (703) 519-7190