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Can Diplomacy Succeed? What if Diplomacy Fails?

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[TRANSCRIPT PREPARED FROM A TAPE RECORDING.]

C O N T E N T S

MR. BUSH: Ladies and gentlemen, thank you very much for coming this morning. Why don't we get going.

My name is Richard Bush, I am the Director of Brookings Center for Northeast Asian Policy Studies, otherwise known as CNAPS. And it is our great pleasure to convene today's symposium on North Korea. It's always an issue in the news, and you just have to look on the front page of the Washington Post this morning to be reminded of that. So it is a very timely session today.

I am the one who gets to stand up here and welcome you, but I'm aware, more than any of you, of all of the other people who are making this event possible. First of all, I need to recognize my own staff, Sharon Yanagi, Kevin Scott, our interns Dennis Shorts, Caleb O'Kray and Derek Grossman, our colleagues in the Communications Department who always give us good service, and the Korea Foundation which has made a generous grant to us that makes this event possible.

Without further ado, let me turn the mike over to someone who also gives us great support, and that's our President, Strobe Talbott.

[Applause.]

MR. TALBOTT: Thanks, Richard, and let me add my own thanks to the CNAPS team and to the sponsors and supporters of this event today. This is an excellent turnout, relatively early in the morning on a beautiful day, when there are many temptations to be outside, and I'm glad to see that there's some media interest represented here in the room as well.

That all suggests that those of you who have come to Brookings this morning expect there to be a useful and very timely discussion of an important and indeed urgent topic, and that is certainly the case, since, as Richard said, the beginning session today will be on North Korea, which has been timely for some time now.

We are going to, in this first session, explore in some detail the essentials of a settlement that might be acceptable to the United States, but we're going to do that very much in the context of an awareness of what might happen if diplomacy were to fail and North Korea were to become a declared nuclear power.

I don't think there's any doubt in any of our minds that the situation on the peninsula is very serious, indeed. The word "crisis" is certainly justified. At the same time, the situation could be quite a bit worse. And recognizing that somber fact should spur us to seize the opportunities that may be in our grasp.

We have a group of outstanding specialists to frame the discussion for us this morning, and looking around the room, I can see that there is here in the audience any number of people on whom we can count to ask some tough, penetrating and indeed very expert questions.

As Richard has said, this symposium is sponsored by CNAPS, which Richard directs. CNAPS, by the way, has just released its Northeast Asia Survey for 2003-2004. There are copies of that publication just outside the Falk Auditorium here. I hope that you'll pick up a copy of that if you haven't already done so.

And if I could put in a plug for one other Brookings Publication, which is not quite free, but available at a bargain price, we have also just published through the Brookings Institution Press a book called, "Going Critical: The First North Korean Nuclear Crisis." The authors are Joel Wit, who is one of our speakers today, Dan Poneman and Bob Gallucci.

Without anything more from me, let's get down to business, and I'm going to turn the program over to Jim Steinberg, the Vice President and Director for Foreign Policy Studies here at Brookings.

Jim?

MR. STEINBERG: Thank you, Strobe.

Let me join Strobe and Richard in welcoming you here today. We do have several really terrific panels arranged for today, and as Strobe suggested, we have as many people in the audience who would make terrific panelists as we do on the stage, and so we very much see this as an opportunity for discussion and not just presentations from the folks up here.

This is obviously, once again, very timely. CNAPS has a way of making sure that the issues that it wants to address are in the news. I haven't had a chance to ask Jack yet whether he's had his suit dry-cleaned and whether we're all safe or whether we need to have geiger counters with us up here.

[Laughter.]

MR. STEINBERG: But needless to say, I think the fact that the problem of the North Korean nuclear program is on the front page should be no surprise to anyone, and I think it really underscores the fact that the issues we're going to discuss today are, perhaps, somewhat more urgent and pressing than many in the community have allowed to be led to believe. And so I think we're going to have a chance today to explore the contours both of the nature of the problem and the range of solutions.

We have, as I say, a very distinguished group of people on the stage who have had a variety of exposures to the problem and degrees of involvement. We begin with our own Jack Pritchard. Jack, a terrific former colleague of many of us, served with great distinction in the U.S. government in a variety of capacities for a long time, concluding with his service as a negotiator on the North Korea nuclear problem.

That will be then followed by I think, Joel, you are going to be next, if I have it right on my list, another colleague from government service. As Strobe suggested, now the co-author of an extraordinarily informative account of the negotiations surrounding the agreed framework. It's something that I think will be absolutely required reading for anybody who both wants to understand the past and think about the implications of that experience in dealing with the agreed framework and its subsequent implementation for the current crisis. Joel is currently a senior fellow at the International Security Program at CSIS.

Then, after that, we're going to turn to Gordon Flake. Most of you will recognize, after that, that this is not Mike O'Hanlon sitting to my far right. Mike was unable to join us this morning, but Mike Mochizuki has been very gracious to step in, and I hope it's, in part, out of affection for his alumni institution. Mike is a former Brookings fellow here and now at GW.

The issue of what an agreement ought to look like is one that has obviously been a matter of great political debate for some time, and there has been a number of studies, reports. Our own Mike O'Hanlon has put forward his own proposals with Mike Mochizuki, and I want to put a plug for that book in while you're at the bookstores. There's their excellent study proposing a comprehensive approach to the problem. Jack, obviously, has been involved, as Joel and Gordon, as active commentators on this question.

I want to begin with Jack. You obviously have seen, perhaps more closely than most of us, not only the dynamic of the negotiations leading up to and including the Six-Party talks, but also have had a chance to talk to the North Koreans, both here and in North Korea recently.

There seems to be a kind of sense of, shall I say, complacency right now about the overall process, that there are talks going forward. They don't seem to be going anywhere fast, but there also doesn't seem to be any sense of crisis about that. And the Vice President was just in China suggesting that this can't go on forever, but, on the other hand, we don't see the kind of frenzy of activity that's usually associated with things that can't go on forever.

Jack, where do we go from here?

MR. PRITCHARD: Well, Jim, let me, first off, tell you that, yes, this is the suit that I was wearing in North Korea, for those of you who have read Kessler article—

[Laughter.]

MR. PRITCHARD: Actually, it wasn't--no, it probably was. And it's an interesting article, and there's too much intelligence associated with that, and I'd rather not go into that aspect of it

But let me, Jim, if I may, just frame where we are because that's very important. You can't start from scratch and build a potential resolution, a way out of here, without taking into account of how we got to where we are. And I don't intend to spend any time at all going back and trying to pick apart what went wrong to get us to where we are.

But let me just say that the process where we are has merit. The Six-Party process, I don't know anyone who is advocating walking away from this multilateral framework. What I have, and a number of other people have, suggested is there is a requirement for a supplemental dialogue between the United States and North Korea that can get beyond the problems that we have now.

And I would suggest that while it would have been appropriate early on to build the groundwork and a relationship with the ROK that would have allowed us to set some meaningful red lines early on, as in October 2002, the fact that we didn't, I believe it is too late; that we can't go down that road of now establishing red lines.

But what I would like to do is to suggest that we need a very clear vision of how this is going to play out, and that requires the President of the United States to articulate very clearly how he sees the endgame. Are we going to deal with a North Korea as it exists now or are we going to participate in the engagement with North Korea or not?

If we are not, that's an entirely different solution of how to get to that endgame, but I would suggest that the President has already said he would prefer to have this resolved in a peaceful, diplomatic means. He needs to take that a step further and to, as I say, articulate what the endgame looks like. That has to be done in a very detailed way with the North Koreans.

The United States now has an outline, and the acronym is CVID, Complete Verifiable Irreversible Dismantlement, of the North Koreans nuclear program. We've had three formal meetings, in April of 2003, and a trilateral session in Beijing in August of 2003, and again just a couple of months ago at the end of February 2004.

Now, I haven't been in those negotiations, but I have talked with the North Koreans. And as of a couple of weeks ago, the North Koreans are saying we don't know what CVID means. It's never been explained to us. Now, how in the world do you ask somebody to sign up for a concept without explaining the details? That is a bit of a criticism. But the requirement is, and I don't argue with the idea of a CVID, but I would suggest that we have got to specify what this means if we want the North Koreans to sign up for it.

I also have come to the conclusion that in this level of detail we have got to tell the North Koreans what it is we expect of them, and equally important, we have got to tell them what we're prepared to do. Are we going to engage in an economic

relationship that is to their benefit or not? What do we want them to do in the near term, what do we want them to do in the longer term? And that goes to part of a solution that was raised by Mike O'Hanlon and Mike Mochizuki, who is here, and their concept of a grand bargain.

I'm not sure we're prepared for a complete grand bargain, but the concept of an overarching resolution is one in which I think is necessary. We need to be talking to the North Koreans not only about the nuclear issue, but the missile problem. We need to set the stage for movement towards a discussion on the conventional side, as well as humanitarian affairs as well.

Part of that I think is to establish and to tell the North Koreans what do we mean by a security guarantee? This can't be a surprise to the North Koreans, at the end of the day, and say to them, "Well, we're glad that you signed up for everything. Now, let us tell you what you're going to get in exchange for that." I do believe that a multilateral security guarantee has the promise of making sure that all parties abide by its fair implementation, however that's defined.

And I don't intend to define the multilateral security guarantee here, other than to say that I believe it ought to be conditional, and it ought to be matched against certain benchmarks. As the North Koreans actually conclude elements of what they obligate themselves to do along the way, then the conditionality begins to fade until, at the end of the day, when the North Koreans, in my mind, the last step is probably the final resolution of the HEU problem.

Now, that's what sparked the second nuclear crisis, but it is not the most dangerous. Besides my suit, the plutonium problem is, in fact, the issue at hand. You've seen the articles to suggest that the intelligence community is finally going to revise upward in the neighborhood of North Koreans possessing about eight nuclear weapons, based upon their reprocessing of plutonium. That's the danger at hand.

The HEU is a future danger and must be dealt with, but trying to deal with that now, in a public forum, to tell the North Koreans you must, in plenary session, open to the public, admit to your HEU program, and then we can begin to deal, I think it's exactly backwards. The HEU must be resolved, but it is probably one of the last things that is going to be done.

I would suggest that the benchmarks along the way would be the refreezing at Yongbyon, which includes the reprocessed plutonium and the accountability of whatever they have done with it. They must rejoin the NPT. They need to account for the missing plutonium from the '93-'94 time frame. I think it's time that the five megawatt reactor is part of this freeze, when they shut it down, they unload it, and that the spent fuel rods are controlled and removed from North Korea so we don't have a later-date reprocessing and the extraction of yet one more bomb's worth of plutonium. All of that reprocessed plutonium has got to leave North Korea.

The North Koreans, in this process, as you're going down this, and you're getting closer and closer to a final resolution, they need to identify the full scope of their HEU program. We can't, as we're doing in Iraq, going house-to-house, sand dune-to-sand dune, looking for something where we don't know where it is. The North Koreans have got to put it on the table, identify it, and then let us work with it from that point.

And in that initial process of identification, I believe that some key components of the HEU program really do need to be destroyed, so as it is a further-down-the-road final resolution, that we're not concerned that at some point in time they reversed course and they have an HEU program. They need to disable the 5-megawatt reactor, and then ultimately they need the permanent destruction of their HEU equipment and their facilities.

Now, how do you get there? When dealing with the North Koreans, you run into an absolute stone wall for the longest period of time. You have got to create the atmosphere that allows them, over time, to understand that this articulation of the President's endgame vision is accurate, that it has the backing of the other multilateral partners, and you provide them a face-saving way in which they can begin the process that gets to the HEU problem.

All along the way, you are recycling this bilateral dialogue into your other partners in the Six-Party process, and they themselves, in their own direct dialogue with the North Koreans, are using a synergistic effect to bring a final resolution into being.

I also believe that we need to early on establish that the LWR program, which is currently suspended, should be permanently halted. And as part of that articulation to the North Koreans, where they are, at a price of resolving this, are going to be giving up their peaceful nuclear energy program, that we would replace that with conventional energy, perhaps run or managed by a KEDO-like organization, but nonetheless quit fooling around. I think we all recognize that the United States, the United States Congress, in no way, shape or form, will allow the continuation of the transfer of nuclear technology in the form of the LWR project of the North Koreans. Let's get that out of the way and replace it early with conventional energy.

The other thing, and I'm going to run out of time here, but let me just suggest that in this overarching resolution, we begin the process of supporting a goal-oriented dialogue between the ROK and North Korea on the eventual replacement of the Armistice Agreement. That is something that ought not to be done in a bilateral fashion between the United States and North Korea.

The primary players are the residents on the Korean Peninsula, and that's where the resolution for that should take place. And in doing so, we need to, as we're moving towards an ultimate resolution, support with the ROK their preparation for the ultimate reunification of the peninsula. That is going to be a horrendous task. It needs to be done now. Monies needs to be set aside. The contingency plans need to be done. If you thought the East Germany-West Germany reunification came at a cost, wait till

you see what it's going to cost in terms of quality of life, standard of living for the ROK when this eventually comes about.

What happens if this doesn't work. If we had done this in an earnest fashion, in which the President himself has laid out the endgame, that we've worked with our Six-Party partners, I would suggest, at the end of the day, if the North Koreans walk away from that resolution, they themselves would have created, in a self-imposed way, an isolation that will end up being matched by actions through the United States and supported by all members of the Six Party, minus the North Koreans.

Let me end there, Jim.

MR. STEINBERG: That last set of issues obviously are very challenging, and I know some of that will be addressed by our second panel, and you've raised a lot of questions that I think will be interesting to pursue in discussion, including a question about whether, if we want North Korea back in the NPT, whether we can sort of put aside the Article IV nominal obligation to give them peaceful nuclear technology if they want it.

Joel, during the '94 negotiations, we went back and forth about big packages, mini packages, mini big packages, and the like. Reflecting on that, as you look at the current situation, what do you see as the merits of the more versus less comprehensive strategies and also the whole debate about whether the approach in '94 was too back-loaded and whether we bet too much on trying to create a dynamic that would lead to eventual resolution and whether we should draw the conclusion that this needs to be heavily front-loaded in terms of North Korea's obligations in the beginning before there is any significant concessions on the part of the United States or the others to North Korea.

MR. WIT: Well, see, my perspective I think is very similar to Jack's and probably different from Mike and Mike O'Hanlon's book. I think part of the problem we have today is we have not set priorities in what we want, and it's not just in terms of setting priorities between the nuclear issues and all of the other issues. I think we need to set priorities on the nuclear issue inside that issue, and I think Jack has touched on that briefly.

I mean the main problem here is North Korea's plutonium stockpile. That's the most pressing issue here. It's not the uranium enrichment problem. And so I think Jack is right in what he was saying, that we need to focus on the plutonium problem, and solving that as soon as possible, but getting in place a process for dealing with the uranium enrichment problem, which is not as pressing.

So what I would argue is that we need only to get a freeze on the nuclear program immediately, but we need an immediate agreement under which North Korea agrees to ship out most, if not all, of the plutonium stockpile. Of course, we are not going to get something for nothing--and this gets to another question you asked Jim--the

United States is just going to have to understand that we are going to have to build a process here where North Korea gets something in return along the way. That may seem a lot like 1994, but I think that just reflects reality.

The point of this proposal, though, is that I think we can implement this initial step fairly rapidly. And as you know, in '94, implementation took a long time because of the requirement to build the nuclear reactors and all of the other requirements. So I think shipping out plutonium can be done fairly quickly, months, maybe a year. That would be the first step. The United States would have to give North Korea something in return.

Normalization of diplomatic relations is one step the U.S. could take. Other players in the Six-Party talks could reinforce that. And I agree with Jack's recommendation for changing the process, but other players would play a very significant role in this process.

The point of staging this, also, is that maybe we can build some confidence, and I still think that's absolutely critical here because, when we get to dealing with all of the aspects of CVID, obviously, it's a very daunting task because, in the second stage of what I would propose, you need to end the uranium enrichment program, you need to dismantle all of North Korea's nuclear facilities, uranium enrichment plutonium facilities. You need to conduct a very wide-ranging inspection regime that will probably have a lot of provisions for suspect site inspections, and all of this is going to be extremely difficult.

And I can guarantee that it will not work unless there has been some confidence building done beforehand. And from the North Korea perspective, confidence building means we need to encase this process in a broader process of political, economic normalization of relations between North Korea and the United States and the other participants in the Six-Party talks.

So this may sound a little bit like 1994, in the sense that we're phasing, that it will take time, but I think it's just reality. We are not going to get a Libyan-style solution to this problem, where North Korea says, yes, we'll give everything up on the promise of something maybe in the future. It's just not going to happen. And, moreover, I would bet that North Korea's nuclear infrastructure is much more developed than Libya's is because North Korea has been doing this for five decades, and just getting rid of all of that is going to take years. So we are going to have to be practical about it.

MR. STEINBERG: Joel, does the fact that the reprocessed plutonium may have already been fabricated into weapons affect the priority that we attach to this? I mean, what do we get if there isn't plutonium to be shipped out or are you assuming that we could actually get them to do something about the fissile material that may be in weapons now?

MR. WIT: Look, I think that what I would propose is that North Korea has said it has reprocessed the 8,000 rods from the last batch that it unloaded the end of last year. It's about, I think, to unload another batch. So I would say to them turn over to us everything you've reprocessed from the 8,000 rods from last year, turn over to us the spent fuel rods that you're about to unload, and those are going to be shipped out of your country.

It may not get at all of the plutonium in North Korea. There may be plutonium that was reprocessed beforehand. So there is a little bit of uncertainty there, but I think it would be a very significant, immediate outcome, if we could engineer this, because we'd be removing from North Korea probably 10 nuclear weapons' worth of plutonium or spent fuel rods that contain plutonium.

Moreover, I think that the North Koreans might be open to this kind of proposal, provided that others took irreversible steps in return, and that's the key word that North Koreans always use, we need "irreversible" steps in return. So it may not dig out all of the plutonium, but I think it would be a significant first step.

MR. STEINBERG: We'll leave a little bit to the second panel what that would mean, in terms of at least accepting for the interim a de facto nuclear North Korea, perhaps with enough nuclear weapons to have the ability to test and still have weapons left over. I think that once we get to the question of do they really have eight, it may change the dynamic here.

But let me turn to Gordon, who is now at the head of the Mansfield Foundation, but a long-time observer of the Koreas, and particularly of North Korea. What will it take? What is it that North Korea can say yes to and what are realistic expectations for these negotiations?

MR. FLAKE: Well, I have probably the easiest task here, and that is they put the smart people in the role and tried to build something up, and I have I guess the easier task of trying to tear it down, and really not trying to tear it down so much, but it seems to me there's a couple of very important kind of reality checks that need to take place.

And the first, in my mind, really comes with kind of whose playing field we're playing on here. And while I think both Jack and Joel have articulated very well something that would be very feasible if you're looking at this from a North Korean perspective, that's precisely the problem. What has been articulated there very much is based on a North Korean articulation of what they want and what they would need, but it really gives far too much away, I would think, to the North Korean side of the game.

In other words, if you buy the North Korean fundamental notion that they are entitled to nuclear weapons and that they must be compensated for giving them up, everything we've just heard is kind of on that front end. It ignores the broader security situation on the Korean Peninsula. For example, even if North Korea gave up its nuclear

program, and even over the last decade when they denied having a nuclear program, they still had the fifth-largest army in the world, they still had missiles, they still had, by all accounts, chemical and biological weapons deployed, they still had Seoul held hostage. And now somehow to let the entire debate just shift to how can we once again redebate and renegotiate the nuclear program, somehow you've basically played exactly into the North Koreans hands in this process.

And so I don't think it's too much of a reach to suggest that what the fundamental problem we're dealing with here in negotiations is the credibility problem, the credibility gap, and that was really precipitated, first and foremost, by the North Korean's admission of having an HEU program. And it has been further aggravated over the last year by continuing in further North Korean statements and admissions that make it extremely difficult for me to imagine, in any political world, going back to this type of an agreement.

In other words, the agreed framework in 1994, which in some format or another, Joel and others are suggesting that we need to reconstruct some kind of a reward for abandoning a nuclear weapons program. In other words, you can basically make the case that over the course of 10 years North Korea has made four or five serious, some of them signed, international commitments to give up their nuclear weapons program, has now confessed to being in violation of those agreements and wants to be recompensated once again for returning to compliance.

And while a very kind of hard-headed pragmatic approach may say, yes, that's true, it seems to me the political reality is that those agreements in the past were based on two things: ambiguity about what North Korea had and has done and credibility--North Korea's denials. And now in the absence of those denials and those credibilities, it seems to me that it is not unreasonable to be pursuing a policy of CVID as a precondition for a much more detailed approach, the "grand bargain" type approach that would follow on.

And in that process--and this is where I'll get to the underlying question of what the North Koreans want here--I have a deep aversion to bilateral negotiations between the U.S. and North Korea and even those that would be part of or accompanied with the Six-Party talks process. Because, first and foremost, it seems to me that we shouldn't be deluded by the fantasy that Six Party talks just happened, that they just happened naturally because all six parties wanted to come together.

As you recall, the North Koreans were vehemently opposed to this process and only agreed to come to them, at this point I would posit, very halfheartedly, if at that, because of the Chinese pressure. What they wanted was bilateral talks. And so you have to kind of ask yourselves the question, why do they want bilateral talks? What is the North Korean intent in this process?

And I think there's significant evidence that if you look at the course of their nuclear program, and particularly at what they've been doing at a clandestine level

for the last decade, that what North Korea really wants is the be a nuclear power. And the danger of the bilateral talks process is that, if you engage on a bilateral basis, and if it's not clearly sublimated to the Six-Party talks process, then the other parties in the Six-Party talks would be more than happy to just kind of wash their hands of it and say, "This is Washington's problem. You take care of that," which is exactly what the North Koreans I think want.

If you presume that what they really want is to be a nuclear power, to be recognized as a nuclear power, to be a member of the "big boys" club, what they are really trying to do is to break apart this multilateral coalition--right?--and to make this a bilateral issue. And if the U.S. initiates bilateral talks with a North Korea that has essentially confessed to being in violation of all its nuclear agreements, we are de facto recognizing them as a bilateral negotiating partner, as a nuclear power.

And you let the other countries get out of this, and let them wash their hands of this, then the talks can go on at a bilateral level for six months, even to the next administration. And when they break down, the question then becomes why did the talks break down, not whether we, on a multilateral level, will allow North Korea to be a nuclear power, whether we can rebuild or reconstruct that coalition that we're still holding together so tentatively right now.

The last point I would make is that I would agree with Jack that the one failing of the administration has been the failure to kind of paint a light at the end of the tunnel, whether there is one there or not, that the administration has been all "stick" and no "carrot." And a review of the last decade, and particularly seeing how North Korea responds to it, I think gives us ample evidence that this problem will not be solved with inducements alone, and it will not be solved with pressure alone. It really has to be a simultaneous application of both pressure and inducements.

And what I heard--and maybe just because of a lack of time--from both Jack and Joel, was an awful lot of focus on what we're going to have to do rebuild the agreed framework, to re-, basically, purchase North Korean compliance, but very little about the I think very necessary element of coercion. And as both in the element of coercion and inducement, that I still think that the multilateral approach is going to be the only way we're ever going to be able to have that very slim glimmer of hope of getting the North Koreans to kind of fall in line if you will.

The last very, very last point that I would make is that, with the exception of Joel's one kind of aside comment, the question of Libya was not mentioned whatsoever. And it seems to me that, while this has become part of the mantra of the Bush administration, along with C-V-I-D or CVID, it's not something that should be so easily dismissed. Because, again, if you look at what Libya has done, they've gone actually a lot farther than what we're even asking of North Korea. They've basically opened up not only their nuclear program, but their other weapons of mass destruction. And to my knowledge, what we are essentially asking the North Koreans to do is to reestablish credibility. And the only way credibility for negotiations could be

reestablished is if they "Completely Verifiably Irreversibly Dismantle" their nuclear program, and then we can get into all of these other extremely difficult issues.

And so, by no means, is North Korea disarming, by no means is North Korea naked, and we shouldn't buy into that line of thinking, which is coming straight from Pyongyang.

I will end it there.

MR. STEINBERG: Let me push you on that, a couple of points there. You said that you think that North Korea's objective is to be a nuclear power and to be recognized as a nuclear power. It sounds to me like they're pretty much there right now. And the question is, then, if our objective is for them not to be a nuclear power, how do you change the calculation in a way that would seem to be at odds with what you've described as their core objective here?

MR. FLAKE: That seems to me to be the very core question; in other words, how do you change North Korea's mind?

Now, we've been engaged in a grand experience for the better part of a decade, and it was all based on that fundamental question of whether or not North Korea wanted to have a nuclear weapons program for a nuclear weapons program's sake or whether it was a bargaining chip, something that they wanted to use to trade away for better relations with the United States, for economic improvements, et cetera.

And, increasingly, this is where actually I think it's kind of useful to step back from the nuclear question itself and look more deeply at the fundamental problem on the peninsula, which is the nature of the North Korean regime, a regime which right now is extremely pressed, in terms of economics, in terms of its own position, in terms of relations to the South, and a regime that in many respects has very little left to sell, other than its ability to threaten. They've got very little else to bargain with.

And so in that context, you can make a pretty strong case that a deeply distrustful North Korea that's hard-wired for paranoia, that has long had these delusions of grandeur, seeing itself as a great world power, and the one sure way to gaining that access is to be a nuclear power, it truly is committed to a nuclear program. There is no other way around that kind of conclusion. And the evidence that we have gained over the last 10 years that they have been working on the HEU program in secret, despite having reached the agreed framework, seems to suggest that.

Then, if that's the case, how then do you change their mind? Now, obviously, I think there's little chance to actually do that. I wouldn't want to come out and throw out some kind of pollyannaish answer to say, oh, I think it's going to be quite easy. There's no scenario in which I could think this could be done easily.

But it also seems to me that there's no scenario which this can be done bilaterally between the U.S. and North Korea, and there's no scenario in which this can be done with inducements alone. It has to be a combination of multilateral pressure and multilateral inducements, but the order of those seems to me to be very clear. You've got to have the pressure and then paint the light at the end of the tunnel or give them out in the direction that they can possibly go, but without coercion, it won't work.

MR. STEINBERG: And to what extent does your logic suggest that maybe the right answer is not negotiations, but regime change?

MR. FLAKE: That's kind of the logical leap from where you're going, and one that I'm not prepared--I shouldn't say "prepared"--one that I'm not comfortable in going yet.

In other words, I spent a better part, lest I come across as the knuckle-dragging Neanderthal up here, I spent the better part of the last decade thinking that the real solution to this was regime change, but of a very different sort, right? Regime change which was based on incremental engagement of North Korea and a long-term change in the nature of the regime based on that engagement. And, unfortunately, that approach was based on the security foundation of the agreed framework. And absent that foundation, I think it's foolhardy to kind of just pretend that you can continue on this momentum and go forward with that.

I still have this glimmer of hope, and again ala Libya, which I think is not worthy of being so easily dismissed, that if North Korea can be convinced, on a security level, that they have no other way out, and they can be convinced that if they do give up their nuclear weapons program, there is indeed kind of a light at the end of the tunnel, there is a slight hope. But if you asked me to give a prediction as to whether that's actually going to work or not, I think my predictions are going to be very different than my prescriptions.

MR. STEINBERG: Mike, you've obviously been an advocate of the comprehensive solution. You've heard Joel's argument about why we need to go incrementally. What leads you to be convinced, in the current environment, that big packages are the only way to go?

MR. MOCHIZUKI: Well, I guess my role here is not to criticize the first proposals that were made by Jack and Joel, but really to bridge I think the gap that exists between Jack and Joel on the one hand, and Gordon on the other. I think, in some ways, Gordon is making a false choice here, and that's why Mike O'Hanlon and I have talked about the comprehensive approach and the need for a road map.

An ultimate solution to this problem requires, if not a regime change, a fundamental transformation in the incentive structure of North Korea. But in order to convince the North Koreans to play along in this game, we need to then lay out the road map of really what the endpoint is.

And so it's really not a question of whether we front-load it or back-load it, but we lay out a process that's very clearly defined, where North Korea can get out of its current predicament, and ultimately we argue for a demilitarization of the North Korean society because that's the only way that you change the incentive structure. Now, if that doesn't work, maybe we need a regime change, but we should at least try regime transformation.

Now, in listening to the comments so far, what gives me a little bit of optimism is that if you think about what our priorities are, and I agree that it really is the plutonium problem, that issue is probably the easier issue to negotiate and verify, and it's the HEU program which may be much more difficult to negotiate and verify.

And so in a sense, we can begin to move the process forward simultaneously by dealing with the priority issues which I think are more verifiable, and then back-load the more transformative issues, whether it deals with human rights or conventional arms control.

The other thing is that I think so far the discussion seems to suggest that there's a choice between multilateralism and bilateralism, and I think Gordon was emphasizing that point, and I think that's really a false choice. The multilateral talks are very important to sustain and develop a multilateral coalition to put pressure on North Korea, and I very much embrace that. But there are bilateral issues which are also extremely important that need to be discussed in a supplemental form.

And it's not just the U.S.-North Korean nuclear issue, which other countries have a big stake in, but it's also the Japan-North Korean bilateral dialogue. And the Japanese love the multilateral process because they're a part of it, but that has not meant that Japan does not embrace also a supplemental bilateral Japan-North Korean dialogue. And I just think it's a false choice to think in terms of multilateralism versus bilateralism.

And, finally, it's not "carrots or sticks," but it's "carrots and sticks." And I think one of the other positive things about the Six-Party process is that at least the Japanese have begun to arm themselves with a couple of sticks, in terms of a piece of legislation that would permit Japan to unilaterally stop financial flows to North Korea, and now they're considering legislation to stop shipping.

But at the same time, Japan has a number of carrots way beyond what I think the United States is prepared to give. And the only way to get those carrots released is to move forward beyond the nuclear question to deal with the missile issue, to deal with the abduction issue, and ultimately with the conventional arms issue.

So that's why I think the only way that you can get both the carrots and the sticks is to lay out a road map and lay out ultimately what the grand bargain is, and you need to do that soon because I think, ultimately, time is on North Korea's side.

MR. STEINBERG: Before we turn to the audience, I want to just explore with our panel a little bit about the dynamics within the Six-Party talks and maybe start with you, Mike.

The Japanese have been closest to the United States, in terms of the tougher line that they're taking. How much of a problem is that in Japanese-South Korean relations, and how do you see this dynamic over time, particularly now with the President now seeming to be reinforcing his position in South Korea?

MR. MOCHIZUKI: Well, I think there is probably some irritation in Seoul that the Japanese seem to be pressing the abduction issue so much. And there may be some fears in both Beijing and Seoul that Japan, by raising the abduction issue, has complicated the Six-Party talks and may serve as a spoiler.

And the United States has embraced the abduction issue perspective of Japan. And one of the most notable things is that the United States, in its terrorism report, will put in a reference to the abduction issue. So it makes it now much more difficult for the United States to remove North Korea off the terrorism list unless there is progress on the abduction issue. So that is bound to strain relations between Seoul and Tokyo, in the context of the Six-Party process.

But on the other side, I think the Japanese are probably somewhat more flexible than the United States as to when the carrots ought to be provided. And I think the key carrot in these negotiations will be at what point would energy assistance be restored. I think here the Japanese are probably somewhere between Seoul and the United States, between Seoul and Washington, in terms of when the energy assistance ought to be restored.

MR. STEINBERG: Gordon, how do you see the impact, if any, of the elections in South Korea and the dynamic that is developing there?

MR. FLAKE: It's going to be very interesting. I think most analysts, at least in Washington, D.C., were quite surprised by how consistent the U.S. and South Korean positions were going into the last round of Six-Party talks. South Korea, even in its proposal for kind of a multi-stage free process and Six-Party talks process, really did that in the context of a commitment to CVID, which is a pretty hard-line position that a lot of us didn't expect South Korea to take. And so it's going to be very interesting to see whether that holds or not.

There's an awful lot of in-house politics going in South Korea, and the question is what is the influence of the National Security Council? Was that a product of just a necessity prior to the elections? Now, that you don't have the GNP nipping at your heels, is it going to go a different direction? It's really difficult to tell.

But I think one of the real tests is going to be looking at what the South Korean position is going into the next round of Six-Party talks, presumably if it's held in June or even the working-level talks if they're held in May, and whether or not they hold the same line they went into their last rounds with.

I do want to make just one very brief comment, though, on the I've alleged there's a kind of false distinction between bilateral and multilateral. And this is where I think it's very important not to be naive. North Korea has had experience for its entire existence in dividing and conquering, if you will. As a small nation, that's basically what it did and did very well.

And I think we shouldn't be under any delusions that that's not what they're trying to do in the Six-Party talks process. And to my knowledge, despite the fact that the negotiators have come, by most accounts, with more leeway and wiggle room than our negotiators have, the North Koreans have, in no way, bought on to the Six-Party talks process. What they have put on the table, what they have offered, has been laughable.

They have essentially continued to deny the HEU program, which, as you know, is the very first indication that they might be serious about this problem--right?--of actually seriously willing to negotiate or go forward on these issues.

And what I think they're really intending to do here is try to basically get to a position where the real issues are handled on a bilateral level between them and the U.S., and the Six-Party talks just becomes like the Four-Party talks were, and like they have been to date, where they come, they show up, they give some unreasonable statements, but don't alter from them whatsoever, and as a result, the real focus shifts. And as such, the danger again here lies not in what we want and what the North Koreans want, but the willingness of the other four parties basically to wash their hands of it, and the real focus of the attention shifts, and that, to me, seems to be fraught with peril.

So the only way you can have a bilateral talks process has to be very clearly sublimated to and incorporated into the Six-Party talks process. And if there is one criticism I would have of the administration is that they need to be much more active in the Six-Party talks process in not just trying to coordinate maximum multilateral pressure on the North, but coming up with a much more creative effort to, again, paint the light at the end of the tunnel in that context.

So rather than trying to split up the multilateral talks or the Six-Party talks, what I would think needs to happen is they need to be strengthened. The common position of the other five parties needs to be built together in a much more robust way, and only then I think you're going to have a glimmer of hope of getting North Korea to change its mind.

MR. STEINBERG: Jack, any sign that the visit of Kim Jong Il to Beijing is going to have an impact on what's going forward?

MR. PRITCHARD: Yes, well, good question. I take a look at Kim Jong Il's visit and having two components to it:

One, it is a series of events that have been going on that are related to the nuclear crisis, that are related to Foreign Minister Li Zhaoxing's visit to Pyongyang, related to Vice President Cheney's visit to Beijing. And the fact that Kim has not yet or had not prior to this visit, had any official contact with Hu Jintao, there was a question mark, from Kim Jong Il's point of view, that he needed to answer in having this discussion in a security context in Beijing, and I think he did answer it.

He went, and he essentially sent a message to the Chinese that said truly we would like to resolve this in a peaceful manner. We do want to have an endgame of a nonnuclear peninsula, and we're trying our very best, but those poor Americans just won't cooperate at all in trying to retain an element of sympathy from Beijing in their position.

I also think that Kim had an element, which is related, of economic message there, and which, as you may recall, his last visit in January of 2001 to Shanghai, 18 months later he came out with his own economic reform package in July of 2002, but I think the message there to the Chinese was we really would like to make some economic reforms, and we're attempting to do them, but we just can't, you know, the security is hanging over our heads. That's kind of music to the Chinese ears' as well. If you can get the North Koreans moving in an economic reform direction, that's what's essential to the long-term stability on the peninsula.

So it all kind of fed together for Kim to solidify a base of sympathy with the Chinese, so it allows him to continue in the same mode in the Six-Party talks without having to take any drastic action.

MR. STEINBERG: Want to venture when the next round will be?

MR. PRITCHARD: Yes. My sense is, because of the Li Zhaoxing's visit and Kim's visit to Beijing, that there probably will be before the end of June.

Now, it's a different question altogether as to will there be any meaningful progress, and the answer there is absolutely not.

MR. STEINBERG: You notice I didn't ask you that.

MR. PRITCHARD: Yes, I know that. I know that as well.

But, Jim, if I may just jump in on one of the points that Gordon has made, and that is needing to use coercion as a tool. I don't disagree, but the problem is you've got to create the basis in which you can use it, and right now—

[Tape change.]

MR. PRITCHARD: [In progress.] --the administration is under a false sense of security here that they have the other members of the Six-Party talks in such a position that they can apply coercion, and I don't think that's the case at all.

And if I can tie that into the Libya question, how did we get there? It wasn't by carrying a bag of sticks and threatening the Libyans. There was a great deal of negotiation that went on for a period of time, and if you take a look at the manner in which Qaddafi is being received in Europe, he clearly was shown an endgame as to what was possible, and he made some choices. That's not the case of what's going on now in North Korea.

MR. STEINBERG: Well, we've had a variety of perspectives on the question. I'm sure the audience has plenty of its own, and we look forward to your questions.

We'll start right here. We have mikes, I think, so if you would wait until the mike comes to you, identify yourself and then fire away.

MR. BERRY: Nick Berry, Foreign Policy Forum.

Mr. Flake, can't you extend your analysis one step further and say that Kim and Bush have a common interest, and that is, in a nuclear North Korea? For North Korea, it needs an enemy for it to keep its regime. It needs the status, if you will, to subvert the South for eventual unification. It needs to feed its own military, and therefore it's very happy with the status that it gets from being a nuclear power.

For Bush, a nuclear power creates the necessary "axis of evil." You need an enemy. You want to cement your alliance with South Korea and Japan, and what are they going to do with nukes anyway? They're not going to use them against the South. They're not going to attack Japan. And therefore the negotiations are nothing but a charade. They're going through the motions because it's in their interest to have nukes in the North.

MR. FLAKE: I agree with you 100 percent in the short term and 50 percent in the long term. In other words, I think our policy right now, both in Pyongyang and Washington, is no crisis, no compromise, and that's why I think Jack would rightly demure on prospects for the likely outcomes of the Six-Party talks process because both Washington and Pyongyang have realized that, in the short term, they don't want a crisis, but they don't want to compromise on their fundamental principles going into this.

So any notion that we're going to somehow compromise on the demand for a North Korean capitulation on the nuclear issue as a precondition for broader talks, I don't see it coming in the Six-Party process before the November elections, right?

But after the November elections, you have a very different situation, and that's where I agree with you 50 percent, and this is where, again, kind of the underlying roots of my pessimism in this issue. I think we too often, and I'm very much guilty of this, too, project upon North Korea our hopes. We somehow want to project upon the notion that what North Korea really wants is just to have economic progress, and opening, and dance among the flowers and be happy, and if we would just leave them alone and give them a security guarantee, that would be fine, when the underlying problem here is the nature of the North Korean regime.

The nature of the North Korean regime, at least from my perspective, is a regime that relies on three pillars for survival: control over the flow of information, control over the movement of people, control over the means of production. An opening in economic reform threatened all three pillars of the regime.

And so this presumption of what they really want is to be like us, to be nonnuclear and happy, I think is kind of a little bit foolhardy. Because, you know, they say "familiarity breeds contempt," and relatively close engagement with North Korea over the last decade hasn't bred so much contempt as deep skepticism. Because we'll talk to a couple of very nice cheery diplomats, who know how to say the right things, and who even know how to propose the right things when they're going to the Chinese, and I think that's very interesting to see how Jack basically couched this as what they want the Chinese to hear, not necessarily what the North Koreans themselves want.

And the nature of the regime increasingly leads me to believe that that is what they want. They want regime survival, and regime survival means they're in that classic catch 22 that makes it very difficult for them to pursue the path that we may want to project upon them.

Now, the 50 percent where I disagree with you is post-election. I somehow have a difficult time making that leap to the conspiracy theories that what we want to do is trump up a North Korean threat as a nuclear threat in the long run just because the consequences of that are so serious.

And so I think what the administration has done is basically assumed everything bad they could possibly do about North Korea--North Korean nuclear program--and, as such, erased all of the red lines up to the one very clear red line, which is the export or transfer of nuclear weapons, materials or technologies. And that's the one red line, you'll note, the North Koreans have strayed too close to, got burned and moved back from very quickly.

But you get post-election, the notion that somehow we're just going to continue to tolerate this, and that we'll be able to continue to tolerate this, particularly given the fact that if you're North Korea, your greatest fear is to be ignored and to be irrelevant, right? And so you've got this inherent driven within North Korea to continue to up the ante, to provoke the crisis, to keep itself on the burners because it can't afford

to be ignored. It's a starving, broken-down, backward nation, and so somehow I can't see that going on in the long term. That's why you get my 50-percent agreement.

MR. WIT: Do we get to jump in on some of these?

MR. STEINBERG: Absolutely. Absolutely. Please.

MR. WIT: You think people can see me chomping at the bit here.

MR. STEINBERG: You can jump in any and all you want.

MR. WIT: I seem to always disagree with Gordon whenever we meet, so I'm sure he won't be surprised by this.

[Laughter.]

MR. WIT: Look, the fact is I don't know any American official in any administration, Democrat or Republican, who has this rosy view of North Korea's intentions. No one thinks North Korea is going to transform itself if only we do the right thing for them. I think we all have a very realistic view that even if we do the right thing, it may not work properly.

But the point here is--and I think, Gordon, I'd like to hear from you about this--if you have this picture of North Korea and its future, then what would you do to resolve this problem? I mean, how would you deal with this problem?

Now, I haven't heard that from people who have your kind of perspective on this. I'm very interested in it because I suspect that what you come down to is you're going to have to make some practical choices, and that's the whole point of dealing with North Korea. You have to make practical choices. It's a problem where there are no simple solutions. You're going to have to make some bad choices, choices between options that aren't good, and you're going to have to live with them because, at the end of the day, that may be the least-worst approach, and that's the bottom line here.

I don't mean to put you on the spot, Gordon, but it's a criticism I have of many people when they talk in generalities about this particular problem.

MR. ROMBERG: Thanks. Alan Romberg of the Stimson Center.

I want to congratulate the panel on some really excellent presentations. I am much more on that side--I don't know whether that's right or left.

[Laughter.]

MR. ROMBERG: They've already answered two of Gordon's—

MR. MOCHIZUKI: I'm on that side, too.

MR. FLAKE: I'm all alone here.
[Laughter.]

MR. ROMBERG: They've already answered or addressed two of Gordon's criticisms. One is the argument that Jack and Joel seem to buy the argument of entitlement by North Korea. I don't hear that at all from what they're saying, but if you don't try, you're not going to find out.

I would also just want to reinforce Jim Steinberg's question to Joel about what if they've already weaponized this plutonium. You really didn't answer the question. And it's not only a matter for the second panel of how do you deal with a nuclear North Korea, but how do you--I agree with you about the urgency of trying to get that plutonium out, but it seems to me the answer is that the administration's rather "slow-roll" kind of approach to it or "kick the can down the road," whatever you want to call it, becomes very dangerous in that case and makes it much harder to deal with.

My question, though, is for Jack. You talked about getting rid of the LWRs, and we must do that. The Chinese Ambassador to the IAEA, Hu Xiaodi, just gave a talk in which he, on the one hand, said nonproliferation concerns were not an excuse for attacking civilian facilities. But he also went on to say that civilian nuclear programs complemented and supported nonproliferation objectives.

Without agreeing or disagreeing with him, if that is the Chinese attitude, how are you going to get around the issue or how are you going to address the issue of getting rid of the LWRs, when we also know South Korea is not anxious to do that and when South Korea and Japan are the ones with the money in the LWR projects, not the United States?

MR. PRITCHARD: A legitimate question, and I take this on from a practical point, and that's, as I ended that statement, and that is I see no possibility that the U.S. Congress, in any configuration--Democratic or Republican or whatever the mixture--is going to, in any comprehensive solution, going to agree to the transfer of nuclear technology to North Korea, which is an absolute requirement for the LWR project to go forward. So you end up with a stalemate that you can say, well, we're not opposed to the project, but we're not going to give you the technology, and it doesn't go anywhere.

We need to deal with that reality up front, convert what their requirements are, and that is for energy, into practical, conventional energy. And I think once you do that, then all of the others will buy into that.

It's not an argument that the North Koreans cannot have by way of a right, peaceful nuclear energy, it's just not going to happen in this LWR configuration. So, if

that's not going to happen, and energy is part of the solution, well, let's deal with it up front and move beyond that and get rid of the LWR project now.

Now, one of the things that I say is I recognize the investment the ROK and Japan has made in that. My pollyannaish solution to this is that you do sink a little bit more money into this, into the preservation of the LWR site at Kumho, and that, at some point in time, whether it is in moving towards unification or after unification, that there can be a completion of that project in an ROK-controlled sense. So there is not a technology that is in the hands of North Korean regime.

If I may, Jim, tackle the other question that you brought up in terms of how do you get rid of potential nuclear weapons if the North Koreans have already, in the reprocessing, transformed and made devices out of plutonium? I would go back to suggest that it is the multilateral, the Six-Party context, in which there is a true multilateral security guarantee in which the North Koreans accept that as valid and valuable, and it is under that sense that it is simply not a bilateral discussion with the United States for which they are fearful that we will walk back, if they give up their nuclear weapons. But under a truly multilateral security guarantee, they would be prepared to remove nuclear weapons if, in fact, that's what they have at this point.

MR. STEINBERG: I'm tempted to want to pursue in more detail this question of security guarantee because I think it's been thrown around fairly loosely, but what it actually means and how valuable it would be to anybody in any meaningful context, I have some doubts about. But we've got some good questions out here.

Dick?

MR. BETTS: Dick Betts, Columbia University.

Earlier, there were two or three references to verification or a verifiable agreement. What would anyone on the panel make of the proposition that no meaningful verification is really possible, in the sense that really the time when we did have reasonable confidence in verification was in the Cold War in reference to agreements between the U.S. and the Soviet Union that involved detection and monitoring of thousands of large, observable delivery systems?

And when we're talking about small and limited facilities in a closed society, especially given the example we've had in Iraq, what would ever give us confidence, short of something like UNMOVIC, with absolutely unimpeded, any time, anywhere rights to inspection, which is hard to imagine the North Koreans agreeing to?

Is verification something we should necessarily be willing to give up for other reasons or am I wrong about how unrealistic it is to expect it?

MR. STEINBERG: Gordon, do you want to start?

MR. FLAKE: Yes. This is my turn to be pollyannaish. It seems to me the only way you get there, and the only way you get the same type of agreement that we're all hoping for, is if you can get North Korea to change its mind. And the Libya example isn't so useful in terms of how we got there, in terms of the negotiations, but in the fact that it basically holds out a model or an example for North Korea as to what will happen if they did that, right?

Because, so far, I don't know anyone that suggests that North Korea has even begun to make that fundamental change of mind which is essential to solve this problem. In other words, unless North Korea decides itself that it will completely verifiably, irreversibly dismantle its nuclear weapons program, this will not work. We cannot impose verification. We cannot impose inspection in any way, shape or form. It has to be a decision made at the highest levels of the North Korean government that they are going to completely, verifiably, irreversibly dismantle the program and be part of it, and show us, and take us to the sites, and give us all of the documents. And that would be the first step I think toward getting that.

Now, how likely is that? I think extremely unlikely, but I think it's impossible, unless you get a situation where the entire multilateral community is working together towards that goal. Absent full Chinese and South Korean participation in particular, it will never happen. North Korea will not make that decision, and we will not go forward. I think it's very important to recognize that.

I want to make just one very short point, if I may, about the question of whether or not we're kind of playing on the North Korean grounds, if you will. I think it's very important for us not to, in too great a detail, jump back into and attempt to renegotiate and parse the North Korean nuclear program, to say, okay, if you do this part, we'll do this; if you freeze this, we'll do this; if you give up the HEU program, we'll do this; if you allow these inspections, you'll do this. Because I cannot, in my mind, conceptualize that process working, and that really basically means there has been no consequences whatsoever for North Korean noncompliance with its five previous agreements on the nuclear issue.

So, again, I think we don't need to buy the North Korean line that that is where the negotiations should be settled. The longer term package deal should be focused on changing the relationship, painting the kind of Libya picture, if you will, but the price for admission, the precondition to get there is that fundamental change of heart that North Korea has to make on the nuclear program. And absent that, I don't think it's going to work.

MR. MOCHIZUKI: I agree with Gordon that the ultimate solution to this would be a change in the mind-set of North Korea and a basic incentive structure, and so that's why Mike O'Hanlon and I have argued for the grand bargain.

And I also agree with Dick Betts that to think in terms of a 100-percent perfect verification regime, I mean, that is probably unlikely. Even if you had a regime collapse, you probably aren't going to have 100-percent verification.

But there are some things that are verifiable, and I think it's fortunate that those verifiable things may be the most dangerous things. And so we should be able to implement a way of verifying that a lot of the reprocessed plutonium will leave North Korea. It will be more difficult to verify an HEU program that the North Koreans haven't admitted to or they claim they haven't admitted to. But we should not try to go after this complete, 100-percent verification as the entry point to some kind of agreement and negotiation.

MR. WIT: If I could just add one last point. Yes, you're right. It's not going to be 100-percent certain, but it's not going to work at all unless there is some accompanying process of political normalization between North Korea and the other participants, particularly the United States. And in that context, I think--and I don't want to sound pollyannaish about this--but I think that the North Koreans can surprise people and do more than people would think they would do. And this was the experience, at least at a couple of times in the 1990s.

We asked the North Koreans to do things, like allow us to put monitoring devices in their power plants. Well, no one thought they were going to do that, but they agreed to do it because a process of political normalization was underway. And as the leverage grows on your side, and as they become more committed to that process, then more things become possible.

So I think without that process, verification is going to be impossible. We might as well just forget it.

MR. STEINBERG: And I do think one of the questions is, is it good news that we discovered their HEU program or bad news that it took us to do it?

MR. WIT: But do we know how long it took us to discover it?

MR. STEINBERG: That's what I mean. Jonathan?

MR. POLLACK: Yes, I'm Jonathan Pollack from the Naval War College. I'd like to push the panel a bit on the Libyan case because Libya has now become the poster child, if you will, for how this is supposed to be done, and yet the more we learn of the background, the process that went back presumably at least until the early 1990s on Libya's effort to reconnect, if you will, with the outside world, and a recognition on the part of Libyans of the price they would have to pay, including in negotiations with relatively senior American officials--certainly at the Assistant Secretary level, privately, to be sure, but conveyed to upper levels of the government as well.

So, even if we look at what Libya is doing now, that's the end of the food chain not the start. So, in an ironic way, do any of you think that the administration has created some wiggle room here, maybe not consciously, but perhaps, by virtue of the fact that they are asserting the relevance of the Libyan case which, if anything, would require, if you believe it literally, some kind of ongoing interaction, dare I say it, at a bilateral level with the North Korean government?

MR. STEINBERG: Let me just start, as somebody who had a little bit to do with the initial Libyan negotiations, saying that, in many ways, we talk about the nonproliferation problem and, to my mind, it's always very complicated, and each case is uniquely complicated. But in the end it comes down to a very calculation, which is states have to make a judgment as to whether they're better off with or without nuclear weapons and what they get and what they lose by having nuclear weapons.

And all of the panelists have talked about it in a variety of different forms and a different assessment in the specific case about how North Korea thinks about that problem, but at the end of the day, this is true whether it's India and Pakistan or Iran or North Korea or Libya.

And there's no question that for Qaddafi, who had a sense of his role in the world, that there were a set of inducements for him, because he wanted to be an international actor, and he became convinced that he could not do that either in Middle Eastern politics, which was his first set of forays, and then when he saw it wasn't going to work there in African politics, so as long as he was a pariah, and the fact that although he began the make some progress in Africa in getting his status normalized, that he was not going to get the ability to have this quite dramatic reentry into the world that he's had without it.

Now, the people up here are a lot more expert than I am about what his calculation is for North Korea, but I think that, although the modalities were important in terms of how you got there, it was what he was going to get and who could give him what he could get that made the difference.

Now, there's a lot of debate about whether Iraq itself had an impact on that. We can have that discussion, if you want, but whether or not it did, the reality is it was looking at this from the terms of what he needed to have that may convince him that having a WMD program was less valuable in terms of getting it than making the concessions that he had.

Other comments, particularly on the—

MR. FLAKE: I have a quick comment. I mean, there's one element of the Libya example that we're missing, and I wouldn't purport myself to be an expert on, but of course 9/11 had an effect. You can't ignore the Iraq War in any world. But the other thing I think is very important is the proliferation of the security initiative or further efforts at interdiction. And my understanding, at least from State Department

people, is one of the things that really kind of pushed Libya over the top was our success in basically catching some major shipments of nuclear materials, centrifuges and other things going to Libya, that let them realize that it just wasn't going to work.

And that, again, leads me back to what I see as the only solution of the Korean Peninsula. And that is if we can, you know, Libya was a relatively easy problem. So it only took two countries--the U.S. and Britain, right? North Korea is a real hard problem, and I think it's going to take five countries to solve this problem.

And it's only when Japan, China, South Korea, Russia and the U.S. can work together in concert to limit North Korea's access to the necessary materials and technologies, but also to make it very clear that there are consequences for noncompliance, and there are awards for compliance, that we're going to be able to solve this problem.

It's very clear to me that, despite the great qualities of our great diplomats, this is not a problem that the U.S. can solve bilaterally. It is a problem that is going to require the involvement of those other five nations, just like Libya.

The final point I would make on the Libya issue, though, is I don't think the negotiations are as much the model as the outcome is. Because the fundamental problem with North Korea is, is mistrustful as we are of them, they are twice as mistrustful of us. And as much as I can make a very long case of all of the things that North Korea cheated on, and lied on and were untrustful of, they can make a very similar case about us, right? And they're hard-wired for paranoia.

They see us as not having fulfilled the agreed framework. They see a country that every promise you thought you had will change with an administration. Every four years you're going to throw the dice up in the air, right? So how are you going to convince North Korea that there is a light at the end of the tunnel? And it seems to me that if it's played right, Libya offers a very good model that can be held up that says, look, we hate the Libyans. We bombed them under Reagan, right? We've said nothing good about them for two decades, and now, look, it's okay because they made a choice. And that's the choice we're holding up front. So we're not holding out the process, we're holding out the model.

MR. : Can I just add one other point, which often doesn't get said, but the Libyans also had something that we wanted, and there was a constituency in the United States, and in Britain and elsewhere, to want to normalize. And I do think that's the difference. It's not necessarily decisive of this case, but it is a difference.

[DONALD OBERDORFER, NItze School of Advanced International Studies, Johns Hopkins University]: I hate to say this, but I'm much more pessimistic than anything I've heard this morning—

[Laughter.]

MR. OBERDORFER: --for one particular reason. Anybody who has ever covered a negotiation or--I've never been in one--will tell you that there are two bargaining processes at work, and the one that nobody has really talked about this morning is the one within the United States.

And I don't think, whether it's the Bush administration or a Kerry administration that follows, the U.S. government, apart from the Executive Branch, the Congress, the American people, are anywhere near making the kind of compromises that would go not just for a grand bargain, but even for a serious negotiation with North Korea to offer the things that would be serious.

And it would take some kind of political change about North Korea, which we have not seen yet. It's not just, you know, the Executive Branch itself is totally divided on this, as we all know , and I don't think it's possible to make a deal to leave the HEU program to some later negotiation. I just don't think that will wash in American politics.

So I find it real hard to see that the United States, on its side, quite apart from the obduracy of the North Koreans having nuclear weapons, will be able to, in the next year--whoever wins--come up with something that has a decent chance of convincing the North Koreans and even persuading our other partners that the U.S. is really serious about trying to get a negotiated end to this.

I would be happy to be proven wrong, but I wonder if there's any reaction to the problem of American politics.

MR. STEINBERG: Jack, you've had to live with that firsthand.

MR. PRITCHARD: Yes, I have.

The way I started actually took that into account when I say it is the President of the United States that must articulate, he must show the leadership. And that goes to bringing together his team on a policy in which he has set the parameters, and that is not the case. This administration is absolutely divided on almost every issue.

It goes to Don Betts' question on verification. One of the very first things that was discussed when this administration came into power was what does verification mean? The argument in March and April of 2001 was verification means 100 percent or nothing. If you can't have everything, we will not agree to anything. And the reason, as I mentioned, the North Koreans have not been told what the requirements under verification is because the administration does not know.

So, when you have leadership that puts together a policy, I think things begin to follow. I do believe that the Congress, that the American people would follow a strong example by an articulate President that says, "Here's how we're going to resolve

this issue. Here's what we're going to require of the North Koreans, and here's what we're prepared to do."

And under those circumstances, I'm more optimistic than you are pessimistic.

MR. STEINBERG: Rust?

MR. DEMING: Thanks. First of all, thanks to the panel for framing the issues very effectively. Rust Deming, National Defense University.

I would like to explore the coercive side of the equation a little bit. I think everybody up there has agreed there has to be sticks--I, as well--as well as carrots. But what exactly are the sticks? Does anybody up there believes there's a credible military option or even a credible threat of a military option? If not, then we're down to economic and political.

The U.S. has very few cards to play, except humanitarian, in that area. Japan has a few. Mike has mentioned financial and the movement on shipping. But the big sticks are going be from South Korea and China. China, it seems to me, has different priorities, stability being one of their highest. They are very reluctant to play a very hard economic card. And South Korean politics are moving in a direction that's going to make that very difficult.

So how do we put together, on the other side, a credible package of sanctions and sticks to balance a federal package of rewards?

MR. WIT: Could I take a first shot at that?

MR. STEINBERG: Sure.

MR. WIT: This gets to the points that Gordon's been making about bilateral versus multilateral, and I agree with Jack totally here. In order to reconstruct sticks, the United States has to put on the table an offer that all of these other countries see as credible. I don't think that's the case now. I think anyone who thinks that it's five against one at the Six-Party talks really doesn't recognize reality.

I was just in Beijing, and I'm sure we all travel in the region, and the Chinese, if you talk to them in a dark closet somewhere, they're appalled at the U.S. behavior in these negotiations. So, in order to restore our credibility and to restore this coalition, we need to be more proactive bilaterally with the North Koreans. It's a false dichotomy. One reinforces the other.

Secondly, just to relate to you a conversation I had with some Chinese Foreign Ministry officials, and this gets to sticks, they were saying to us, look, you know, these talks may fail. We're not naive about this. We should be starting to talk now, the

United States and China, about different red lines and what our common reaction would be if North Korea, for example, set off a nuclear test. So that's an opening to restore at least possibly some sticks.

But I agree with you. It's nice to say, oh, we need to combine coercive measures and negotiations, but the fact is the reality of the situation now is coercive measures are going to be very difficult to do, and part of the reason for that is because of the policy of the United States over the past two years.

MR. FLAKE: Just a very quick retort. Why do we have to put it on the table? This is precisely what I'm really emphasizing in terms of multilateral. We've got to come up with a solution that we've got for the North Koreans, put it on so the Chinese, and the Japanese, and the South Koreans will follow us.

Perhaps the strategy and the answer to your question is that you let the situation deteriorate as far as you can up to your one real red line to the point that it gets serious enough that the Chinese, and the South Koreans, and the Japanese, and the Russians really have to carry their weight on this issue because you recognize the fact that we can't do it. We tried for 10 years. Our sticks are too big and too blunt. They're unacceptable. Our carrots are nonexistent. So who's going to provide the carrots? Who's going to provide the sticks?

And the others have to be brought into that process, and one way is to assume that somehow we have these super diplomats that out of the persuasion of our words are going to be able to do it, but part of the reality is that you're going to have to change the situation there, and it is a dangerous game.

But it seems to me that one of the things that the administration is playing right now is letting this play out. Let the North Koreans dig themselves into a deeper, and deeper, and deeper hole because the Chinese, in particular, have always had their, they always have to have three or four or five something, they have their three noes, you know, on the Korean Peninsula: no nukes, no war, no collapse.

But eventually they're going to come to a point where, if things continue to deteriorate, they will have to choose, among those three, which is the least objectionable, and they'll have to take a much more active role. You've already seen how active the Chinese have been because they're genuinely afraid because of the way this is going.

So it may not be the most pretty of processes, but it seems to be one that at least does hold their glimmer of hopes of getting the Six-Party talks together so you have not a U.S. proposal that is accepted by the others, but a party process really maybe even led by South Korea or China or Japan in an effort to kind of get us out of the current morass.

MR. STEINBERG: I guess, Gordon, the question is, is the situation deteriorating? I mean, going back to the first question, I mean, you have a status quo now, which is a nuclear North Korea, which is not being seriously pressured by anybody, and everybody sort of not quite acknowledging it, but certainly not doing anything about it.

Isn't this like India and Pakistan, where we're just kind of slowly moving in a direction of accepting the fact that the bridge has been crossed and, yes, maybe we'll take the position that there should be no proliferation, but, gee, A.Q. Khan, and maybe they even proliferated, but we still don't do anything about it?

I guess the question is whether, and this is why I'm going the stop here and lead into the next panel, whether we haven't gotten ourselves to the point where all of the choices seem undoable. Nobody is willing to put meaningful carrots on the table, and maybe they won't make any difference. There aren't meaningful coercive measures that would really make the regime change its overall objectives, and so we've got just a new reality that we are living with.

MR. FLAKE: But that seems to me to be based on the misperception that a nuclear North Korea is sustainable or that the current level of ambiguity regarding North Korea is sustainable. Because, again, what is the fundamental problem? The nature of the North Korean regime, the failure of their economy, the failure of their state. They cannot survive on their own.

And so to assume that somehow we're just going to all now live in a state where we all nod-nod, wink-wink, we know there are nuclear, and it's okay, and that things will continue that way indefinitely seems to me to ignore the fundamental driver of this problem, and that is the continued likelihood that North Korea will continue to up the ante.

And so while I hope that's not the case, I still wouldn't be willing to bet my own money that North Korea is not going to test a nuclear weapon, despite the fact that the Chinese have clearly put an awful lot of pressure on them not to do that. Who knows what they're going to do next on this front, particularly if they don't seem to be getting anywhere with this process.

And so I just don't think that you can assume the stability of a world in which we accept a nuclear North Korea because acceptance in no means ever means the full range of engagement and economic assistance or aid that North Korea needs to survive. And so I just don't think it's a sustainable situation.

MR. STEINBERG: Well, there are lots more questions, but there will be plenty of opportunity with the next panel. I apologize to all of those out there, but I do want to move on, too, because we've got a terrific second panel coming up.

I want to thank the panelists and the questioners and look forward to the rest of our discussion.

[Applause.]

[End of Panel 1 Discussion.]