THE BROOKINGS INSTITUTION

NORTH KOREA AND POLICY PRIORITIES FOR THE UNITED STATES

Washington, D.C.
Monday, April 15, 2013

PARTICIPANTS:

Moderator:

RICHARD BUSH
Senior Fellow and Director, Center for
Northeast Asian Policy Studies
The Brookings Institution

Panelists:

MICHAEL O'HANLON
Senior Fellow and Director of Research,
Foreign Policy
The Brookings Institution

STEVEN PIFER
Senior Fellow and Director, Arms Control
Initiative
The Brookings Institution

JONATHAN POLLACK
Senior Fellow and Director, John L. Thornton
China Center
The Brookings Institution

EVANS J.R. REVERE
Nonresident Senior Fellow
The Brookings Institution

* * *

P R O C E E D I N G S

MR. BUSH: My name is Richard Bush. I'm the director of Brookings Center for Northeast Asian Policy Studies, and I'm pleased to welcome you all here today to look at the Korean Peninsula. With me I have four Brookings senior fellows. From left to right, Mike O'Hanlon, Steve Pifer, Jonathan Pollack, who is also director of our China Center, and Evans Revere, who is a nonresident senior fellow and his day job is with the Albright Stonebridge Group.

For the last five months there has been a sort of increasingly tense war of nerves between North Korea and the United States and South Korea and Japan and China. There has been increasing concern that this war of nerves is going to change into a war of weapons. The most recent concern is the possible launch of a North Korean medium-range missile. April 15th seemed like a good day to do that since it's the 101st anniversary of Kim Il-sung's birth, and what a better present for the old man than to launch a missile in his name.

But there are a lot of questions surrounding this and both what's going on and what the implications are, whether there's a way out of this. And I have six questions that I am going to pose to my colleagues in different permutations and combinations. And we will march through these as expeditiously as we can to leave time for your questions.

So the first question is is this crisis different from previous ones? If it is, in what ways? And what is the real danger of war? So Evans, would you take a stab at the first answer?

MR. REVERE: Sure, Richard. Thank you very much. And thanks to

everybody for being here today.

I think in a number of respects, as you look at the crisis as it has unfolded, it's easy, especially for cynical old Korea hands like me to say there they go again, déjà vu all over again. And to some extent there is a baseline level of similarity to previous crises that we've been through before. There's a baseline level of threat and rhetoric that one always hears from North Korea, and so it's easy to dismiss that. But this crisis I think is somewhat different than past. The threats have been much more specific than in the past. The level and intensity of the rhetoric has been much more bombastic and over the top than in the past. And perhaps the biggest difference is in terms of North Korean capabilities.

Ten or 15 years ago we were not dealing with a North Korea that had conducted a series of nuclear weapons tests. Several years ago we were not dealing with a North Korea that had successfully launched a long-range rocket that many of us feel is an early stage in the development of an ICBM capability. And many years ago we were not dealing with a North Korea that was making specific threats to attack targets with nuclear weapons, which is what they're doing now.

Now, it's one thing to make these threats; it's another thing to have the capability to carry them out, and I don't want to overreact to these threats or to suggest that North Korea does have the ability to carry out some of the more outrageous of the provocative threats that it has made. But we ought to be concerned, particularly about the possibility of miscalculation, misperception on their part. The worst mistake any country can ever make is believing its own propaganda, and there may be some people in their system who do. And that is obviously a concern.

And also, another reason that this crisis is different than the past is that we've got a new person in charge in Pyongyang. Over the years we developed a sense of how far Kim Il-sung was prepared to push things on the Korean Peninsula and we knew pretty much how to deal with him, and then his successor, Kim Jong-il, and Kim Jong-il's father we had a sense of how to deal with him based on a number of years of experience, most of it bad. But we had a sense of the limits of this leader. We have a new leader now and we don't know his limits. We don't know to what extent he understands what he is up against both in terms of U.S. and South Korean military capabilities.

So are we on the verge of war? I suspect not. We haven't seen any of the outrageous rhetoric we've seen from Pyongyang matched with major force movements, artillery is not moving up to the front; tanks and armored units are not moving around; et cetera. But the possibility of a mistake or a miscalculation is there, and whenever that possibility exists you need to prepare for a whole range of possible outcomes and that's why I think the way the U.S. administration and the ROK have handled this so far has been pretty good.

MR. BUSH: Good. Thank you very much.

Jonathan, do you have another or a different take on this?

MR. POLLACK: Well, I wouldn't quarrel in essence with what Evans had laid out. Certainly, there is a lot to argue for sort of viewing this as something that is somewhat different from what we've seen before. I do, however, find a certain irony that there seems almost in some quarters a wistful nostalgia for Kim Jong-il, that paragon of rationality and what have you. And not to mention that, for grandpa himself going back a

little farther.

So much of what we see here has, dare I say, a very, very contrived quality. This is a manufactured crisis but it is predominately I believe for domestic purposes in North Korea. But it's additionally a calculation that suggests to me that young Mr. Kim, or as I fondly like to call him, 3.0, that he sees this as the basis for creating a certain legitimacy in the eyes of his own people and curiously, he may think, in the eyes of the outside world. Because that frustration that North Korea feels that no one, no major power, no power at all so far as I can see perhaps with the exception of Iran would be prepared to, in effect, legitimate these kinds of nuclear weapons capabilities and give North Korea what it seeks, which is in some sense to enable it to punch above its weight. That its dysfunction continues economically and in other respects what we see, and this is perhaps what is most disheartening, that a young, untested leader has not only returned and reverted to form, that is to say adopting fully the strategy that his father pursued, but he's ratcheted this up at least in a propaganda way to even higher levels.

That said, anyone who reads North Korean propaganda, and you know I need a hobby since I clearly spend a lot of time reading North Korean propaganda, will have to note the conditional element that is there in every statement the North Koreans make. Something that says if the American imperialists and their running dogs in South Korea dare take one step, dare attack us, then we will unleash this unimaginable attack against them, including nuclear weapons, putting aside to one point whether or not there is a capability, in fact, to do what they threaten to do. But that I think speaks of the sense of frustration that North Korea often encounters. That does add to the element of risk

here. I wouldn't dispute what Evans says, but that's why I think we need to take these statements seriously, prepare carefully, but certainly not overreact which in a way would be playing to North Korea's preferred responses.

MR. BUSH: Mike, do you have anything to add?

MR. O'HANLON: Just very briefly, Richard, and thanks for the opportunity. It's an honor to be up here with such distinguished North Korea experts and the whole panel. And my comment is much more general and not specialized nearly as much.

But I still want to just raise a question based on one thing Jonathan said about what the main purpose is behind all these provocations. And Jonathan, you mentioned that your interpretation is that it's largely for domestic purposes. I have no doubt there is that element, but I also wonder if North Korea just wants to make this particular crisis so darn unpleasant for everybody that we're actually scared from applying further sanctions if there is an additional nuclear test.

And part of why I raise this hypothesis or this question is because I got out my copy of the latest North Korea bible this weekend -- this is Jonathan's own book, *No Exit*, which anybody here who wants a wonderful 200-page description of what's behind North Korea's nuclear program really should read it. It's an excellent history. And as you argue persuasively, the nuclear program has become something pretty important to the regime. Whether or not there's any hope of ever getting rid of it as we still aspire to is another question, but you make it pretty clear it's a powerful and strong motivator. To the extent that's true, they might want to do another nuclear test. Their scientists might be saying we can't quite vouch for a miniaturized warhead that can go on a missile yet,

and therefore, they may want to spook Beijing and other capitals so much that if and when they do that additional nuclear test nobody dares apply more sanctions.

So it's just another theory I wanted to get into the mix. I can't prove it. It's just based on inference and on my reading of their history and their commitment to the nuclear program and what they might be thinking of as their next steps.

MR. POLLACK: Could I just interject one other point here? It does seem to me that one of the time-honored elements in the North Korean playbook is that once a decision is made to take a particular step, particularly a developmental step in terms of nuclear weapons or missile development, you look for a rationale that can then justify what you've already decided to do, and that's very, very relevant to what you've just described. So we'll wait and see.

MR. BUSH: Let's come back to Mike's question. But it seems me that one of the ways in which this situation is different from past ones is the consequences that will flow from something that the North Koreans sometimes do, and that is a limited, conventional military strike against a target in South Korea. Up until November 2010, South Korea was willing to take the punch and respond in a tempered and somewhat symbolic way. That is no longer South Korea's policy, and there was a decision made and that has been developed over the last two years to respond more robustly, to employ essentially deterrence by punishment. And South Korea has worked very closely with the United States in programming what the response will be. The question that none of us can answer is what does North Korea do once South Korea retaliates? Does anybody want to comment on that?

MR. REVERE: Let me take a first cut at that.

In the aftermath of the November 2010 North Korean artillery attack on Yeonpyeong Island -- that was, by the way, the first time that North Korean artillery shells had fallen on South Korea since the end of the Korean war, so that was a very significant and a very disturbing development. There was a very limited South Korean retaliation at that point, but in the aftermath, the previous ROK president, Lee Myung-bak made it very clear that his government would respond -- "kinetically" is the term of art -- to future North Korean attacks. And now under South Korea's new president Park Geun-hye, they've made it even clearer that there will be a very clear and immediate and proportional response to any North Korean attack on South Korean soil or on South Korean warships and aircraft. And that is an important message that North Korea needs to understand.

I think it's an open question based on the fact that the South Koreans over the decades have not responded to the North, is that message -- has that message fully been taken on board by Pyongyang? Do they understand that this South Korean government, this South Korean president has to respond for domestic, political, and other reasons to any future North Korean attack? So that's a very important question that we need to understand.

Beyond that, the United States and the ROK have now a joint agreement to consult and map out, if you will, and plan the retaliatory strike to ensure that it is immediate and kinetic, and proportional, but also to make sure that we have control over the potential for this escalating into a much broader conflict. And my sense is that it's not clear that Pyongyang understands that not only will they be dealing with a ROK retaliatory strike, it'll be a combined effort, if you will. It will have been planned and consulted between the two allies. And I don't know whether Pyongyang will stop in the

immediate aftermath of that retaliatory strike or whether they will then pick up the escalation from that point on. If they do, we've got a major problem on the Korean Peninsula.

MR. BUSH: Mike? Jonathan?

MR. O'HANLON: I'll just make a very brief comment, which builds on Evans last one. And it is to say I, personally, would wager that the North Koreans would do something additional. And, you know, people would say, "Well, they're madmen. They're crazy. They don't recognize who they're dealing with." But they also know we don't want war. And they probably feel that they can play the brinkmanship game better than we can. And they probably have read their Thomas Schelling or maybe, you know, we figured out his great theories party by watching them, that there's the old Thomas Schelling statement from the Cold War, the threat that leaves something to chance. I think the North Koreans are prepared to have this crisis continue to escalate a little, perhaps. At least they may think that they can stomach that, that their nerves are stronger than ours, and that frankly, it's their only real asset is to play a brinkmanship game. So I'm not sure they could give that up. And I think therefore they would do something in response to any retaliation we make.

MR. BUSH: Okay. Steve?

MR. PIFER: Presumably that's also though a consideration that South Korea and the United States have to factor in. I mean, if you retaliate and then they retaliate and then you do nothing, you've, I think, called into question your response. So I think there's this leaving something to chance on both sides, which I think is why this risky because it can quickly spin out of control.

MR. REVERE: I'd raise two other points on this if I could. Number one, over the years it's become pretty clear that the North Koreans have demonstrated time and again that they are willing to risk more than South Korea is willing to risk on the peninsula. That is part of the North Korean calculation; that their artillery and their forces have the entire population of Seoul, South Korea within easy artillery range and they feel that South Korea has more to risk and more to lose from a confrontation at whatever level than North Korea does. And they have actually used that tool, if you will, to some effect over the years.

The other problem, and here's one of the big unknowns here, is does North Korea think that they have South Korea and the United States deterred as a result of North Korea's development of these medium-range missiles and its crude nuclear weapons capacity? If North Korea thinks that it has the United States and South Korea deterred as a result of this development, then that does not bode well for the escalatory process because the North Koreans may think that they can raise the stakes even higher by carrying out another attack and not risk the massive retaliation that we are capable of.

MR. POLLACK: Just a couple of points I would want to make. I mean, one of the things that is always striking about North Korean behavior is their capacity to find something in the seams, something that is very undermining in the South and the like, but doing it in a way that they think they are free of major consequence in return. So the question is whether that same script would follow this time.

For example, it would seem to me often in the case of their brinksmanship the effort is to perturb the South psychologically, economically, and the like. Indeed, it may be because you have a tough, determined new leader in South

Korea that the belief was let's ratchet this up even higher in the expectation that somehow South Korea will waiver in its commitment and relationship with the United States. I think that's a fundamental miscalculation by North Korea, and that will be proven if things go from bad to worse. But, you know, whether it is cyber attacks, whether it is other efforts to rattle nerves, if you will in South Korea, whether momentarily or over the longer run, it's that precise element of unpredictability that I think so many find so jarring. And in come contexts leads a lot of people to make arguments that, well, now is the time we've got to appoint a very, very senior person to go deal with this on an urgent basis, which in a way is rather affirming to their strategy. So that's an element in policy that we have to discuss.

MR. BUSH: Okay. We'll get back to that.

So there is a danger in this current situation. I'd like to turn back to the question of motivations for a minute. Jonathan has talked about domestic imperatives at play here, and that rings true to me. Mike has talked about the desire to, in effect, desensitize the United States in the international community concerning further tests of ballistic missiles and nuclear weapons. That also makes sense.

I wonder if there are other things -- and let me just throw one out -- and that is to pressure an accommodation from the United States on North Korea's terms. We often say that we are wanting -- trying to sharpen North Korea's choices. Well, they're trying to sharpen ours and give us a choice between our policy of isolation on the one hand and stability in the region; that we can't have both and we have to choose. So is that going on?

MR. REVERE: Let me take a shot at that. I think it is, indeed, going on.

The North Koreans have made it increasingly clear in recent years, including when their vice foreign minister came to New York City last year, that North Korea is and intends to remain a nuclear weapon state. And as their vice foreign minister told a group of us in New York City, "You need to deal with us as we are, not as you wish us to be. And we are a nuclear weapon state, and the United States and North Korea should deal with each other as one nuclear weapon state with another." Those were his words, not mine.

As I look at this crisis, as I look at the ramping up of the rhetoric, particularly the nuclear-related rhetoric, what I see happening here is a North Korean interest in re-engaging with us, but re-engaging with us on their terms. They want to have a conversation certainly with the United States. I'm less convinced that they want to have this conversation with other participants in the six-party process. They want the benefits that they see that would flow from a possible negotiation with the United States and possibly others -- assistance, food, energy, et cetera. But they want those things and they want acceptance. If not recognition, acceptance of their new status as a de facto nuclear weapon state.

And in this context it's very interesting. If you've been listening carefully to what Secretary Kerry has been saying, he has been suggesting a U.S. willingness to reengage on the basis of the commitments that North Korea has already made to denuclearize. Well, there's a problem on that, and that is that the North Korans have said (a) we're not going to nuclearize; (b) the idea that we would sell our nuclear weapons program or trade it or exchange it for some benefits is off the table. You need to deal with us as we are as a nuclear weapon state. So the United States is interested in having a conversation with a country that wants to have a very different conversation

than the one that we're prepared to have.

MR. BUSH: Any other hypotheses about motivations?

MR. O'HANLON: Oh, I just want to build on that point, but again, invoking Jonathan Pollack's analysis in his book because maybe we need to reformulate how we think about denuclearization a little. And I know, Richard, you've encouraged me to think along these lines in the past as well, that maybe if we -- instead of thinking of North Korea as either having nuclear weapons or not, our goal needs to be to contain the number they have, convince them that they need to gradually either put a lid on it or maybe even over time ratchet back the number, and make sure they don't build more. Because the building more, talk about how this could get worse. If they really reactivate their reactor, if they really expand whatever uranium enrichment capability they have and they go into the business of making nuclear weapons by the many or even by the dozen for their own purpose or for sale, as people on this panel have argued more eloquently than I, we have a whole different ballgame.

And so instead of thinking of denuclearization as yes/no, on/off, maybe what we need to do is think about finding a way to cap it and then hopefully ratcheted it back with time. But not even necessarily get them to promise to a zero number anytime soon because that's probably unrealistic. And I know I've been the person who has probably held onto the zero goal as much as anybody on this panel, but I think given where we are what we have to do is be realistic in the first steps. And as they have the potential to go into a large arsenal, make sure they don't do that.

MR. BUSH: Okay. I'd like to bore in on a couple of issues. And the first of them --

MR. REVERE: Richard?

MR. BUSH: Yes, please.

MR. REVERE: Could we maybe push back on that notion a little bit?

MR. BUSH: Okay.

MR. REVERE: The idea that you can put in place an agreement with the North Koreans that would limit their improvement of their arsenals, I think we need to look at this, drill down on this a little bit more. Let's remember that the Bush administration's negotiation, the six-party talks with the North Koreans, broke down over the question of verification -- getting into North Korea and having a high level of credibility if you will, and believability that they had, indeed, stopped their nuclear weapons program. We have a big problem here in that they are working on a uranium enrichment program as we now know. They have shown it to us. There is no doubt in the minds of a number of American analysts that they not only have a uranium enrichment facility at Yongbyon at the nuclear complex but they probably have other similar programs elsewhere. How do you find them? How do you make sure that the North Koreans are not making more fissile material for nuclear weapons? How do you make sure that they are not making improvements to the existing weapons? How do you put together a verification agreement with North Korea when the North Koreans have made it very clear, as they did in 2008, that they are prepared to throw away an agreement with the United States over the issue of verification?

This is one of the most closed countries in the world. The idea that any North Korean regime is going to agree to allow American inspectors to snoop in every nook and cranny and cave and put together an agreement with the United States that

implements this idea, I'm sympathetic to the goal, but I just don't see how you can get there from here. Jonathan may have some other thoughts.

MR. POLLACK: If we can even take it back a step farther to the agreed framework period where you could argue in a literal sense North Korea was honoring more or less the terms of the agreement. That's the good news. The bad news is since uranium enrichment as such was not precluded in the agreement, it's clear in retrospect, and I certainly -- we don't have that full story laid out but the evidence is very suggestive, even in the Clinton administration there was a recognition that there was growing evidence of exploratory activities and so forth of enrichment as an option because that wasn't part of the agreed framework. So, you know, in a way it was a very artful move. I mean, I do think the North Koreans often are very, very literal and very, very specific about what their presumed obligations are, but again, this issue of verification which has stymied any kind of genuine progress -- and by genuine progress I mean steps definitively to preclude further nuclear weapons development. We've seen this movie too many times, and of course, it leads to shall we say enormous skepticism about the virtues of this kind of approach one more time.

MR. BUSH: Steve?

MR. PIFER: Yeah. Just to be clear though, I mean, I think if we had confidence that, in fact, we knew all the facilities, the technical challenge of actually monitoring and verifying that they're not enriching uranium or not producing plutonium, you know, that's manageable. The question is at the end of the day do we know and are confident that North Korea has told us every particular site? I mean, I think with the arrangement we had on plutonium, you know, we were pretty confident that we could

monitor the reactor. It was always the other places out there where they were doing enriched uranium work that they never told us about.

MR. REVERE: Well, having spent hundreds, if not thousands of hours across the table from the North Koreans, let me tell you, your skepticism would be justified.

But let me go back to this question of verification again. Keep in mind that until Dr. Hecker was allowed to visit the uranium enrichment facility at Yongbyon, we had no idea as a government where the facility was. We suspected that there was one, and then we discovered that the North Koreans had managed to build a state-of-the-art uranium enrichment facility right in the middle of the Yongbyon nuclear complex.

MR. POLLACK: Under our noses.

MR. REVERE: Under our noses; the noses of ROK and U.S. intelligence and presumably Chinese intelligence as well. It was an up-and-running state-of-the-art facility. Dr. Hecker, who knows something about these things, was given a tour of it and came away impressed and overwhelmed by its sophistication. And literally, for anybody who has been to the Yongbyon facility, this is one of the most closely watched places in the world in terms of U.S. intelligence assets. The North Koreans built it right there. And so you have to be very, very skeptical about our ability to verify things.

MR. O'HANLON: Just a last point on this. I take all those observations, but you also observed correctly, Evans, at the beginning that we have this oxymoronic official policy now where we say you have to commit to denuclearization before talks can begin when they're obviously not interested in that as a premise. It would be hard enough to get them to even a cap over time down the road. So I'm just suggesting -- I

take your points -- but maybe it isn't going to be American inspectors. Maybe it's going to be Chinese inspectors, and maybe we have to accept all the uncertainties that go along with that. Or maybe we're going to have to figure out what we can tell about how much sheet metal they're properly machining for building more centrifuges. And if we can monitor and limit that in an agreement that may be the best we can do. I don't know the answers either but it does strike me, as you've argued, that they're doing things we don't know about. They're building up this arsenal. They're threatening to do it even more, and we're at a loss with the current methods. And I'm just suggesting we may need to broaden our scope a little.

MR. BUSH: Let me turn to some more specific questions. The first is, essentially, a factual one. And that is for Steve, and Mike if he wants, what exactly are the capabilities of North Korean missiles?

MR. PIFER: Well, first, I think there is a reason for concern but there's also a fair amount of hyperbole about what North Korea can and cannot do. And in essence, to have a nuclear armed ballistic missile North Korea has to master three challenges. First, it has to have a nuclear device; second, it has to be able to miniaturize that device so that it can fit on a ballistic missile warhead and withstand the thermal and mechanical stresses that a warhead goes through during the course of a ballistic missile flight, and third, North Korea needs to have a ballistic missile that works reliably.

So taking each one of those in order, I mean, first of all, they clearly have a nuclear device. They've done three nuclear tests since 2006. I think most regard the first test and perhaps the second test as partial failures, but the third test appeared to be more successful. So they have tested a nuclear device, but what we don't know is

exactly what they tested. We don't know, for example, how big it was. They've talked about moving towards a miniaturized weapon, but we don't know the size of the devices that were used, including in 2013. And typically for other states, I mean, the way the United States went, the way Russia went and other countries have gone, the first test typically was of a device that was probably anywhere from 4 to 7 tons. That would not fit on a ballistic missile except perhaps the SS18 that the Soviets and Russians had. Certainly nothing that the North Koreans could carry. So they have a nuclear device. How big it is we don't know.

The second question then is putting this into a warhead. And that also is a very demanding technical challenge because it's not only miniaturizing it but also being able to withstand the stresses that you go through in acceleration and then reentry into the atmosphere. And the thermal challenges.

So, for example, when you're talking about an intercontinental ballistic missile warhead, that reenters at about a speed of 5 to 7 kilometers per second. That's up to 15,000 miles an hour. And that puts a lot of stress on the warhead. So you've got to be able to have a weapon that is miniaturized but also can survive and function in a very stressful environment. And the important thing here is that in terms of their test history, North Korea has never successfully tested a ballistic missile warhead to arrange greater than 1,300 kilometers.

And then the third challenge is what missiles they have and what can they do. At the low end of the scale the North Koreans have 500 to 600 Swann missiles, which are basically a variant of the scud, first flown by the Soviets back in the 1950s. And those give North Korea the ability to cover targets pretty much in most of South

Korea. Then there's the Nodong missile, which has a range of between 1,000 and 1,300 kilometers. That allows coverage of targets in Japan as well as South Korea. But when you move beyond that you get into a series of missiles that really cannot be regarded as proven.

The focus of the last couple of weeks has been on this Musudan missile. Two were reportedly moved towards the east coast of North Korea. There was some speculation that today in honor of the birthday there might be a launch. This missile is supposed to have a range of about 3,000 to 3,200 kilometers. It's never been test flown. We've never seen it fly.

Another missile, the Taepodong-1 with a range of 2,200 kilometers, it's been tested or it's flown once. That was in 1998 as a space launch vehicle. And the third stage failed. We've watched the Taepodong-1 missile. That's been tested or flown five times over the last six or seven years either as a ballistic missile or as a space launch vehicle. It's one for five. The only successful flight was in December where it put a satellite into orbit. Reportedly, the satellite is tumbling uselessly and is not doing anything. But that's also a very different problem putting the warhead up there -- I'm sorry, putting a satellite into space as opposed to putting a warhead up and getting it back down.

And then the last missile is this KN-08 which was paraded with some intention last year in Pyongyang. Again, it's never been flight tested and there's some speculation on the outside when people look at the pictures they're saying, you know, does this look like a real missile or is this just a mockup? So there are some questions about the North Korean test program and how reliable these missiles, particularly at

longer range would be.

And just to give you some context, what other countries had to go through. The Atlas was the first American intercontinental ballistic missile. It was also used as a space launch vehicle in the 1960s. It went through 125 tests before it was declared operational. The Soviets first ICBM went through 90 tests before it was seen as operational. And even in the 1980s when the U.S. was much smarter about ballistic missiles, the Trident II submarine-launched ballistic missiles went through 30 development tests before it was operational.

So this is rocket science. And you really have to ask yourself the question are North Korean engineers so good that they can glean from a handful of tests or one test, or in some cases no tests, information about these missiles that would give them confidence that they could be reliably used? Now, I'm not saying we shouldn't be concerned. I think the North Koreans are making progress, but I think it's important to keep this all in perspective. And when you look at it, and I will defer to people who are much smarter on North Korea than I am, but it does seem to me that a good part of North Korean foreign policy is based on bluster. And so if that is your strategy, maybe it's less important that the rockets really work. Or maybe they don't work at all, but that's less important than if you can make people, and perhaps your own population think that they work.

MR. POLLOCK: I think Steve has made some very, very apt points. This is rocket science and it's not easy. If there is any good news in this story, and I use that term advisedly, it's the fact that North Korea's industrial capacities to test on a regular basis and so forth, are probably very constrained because you don't see -- I'm not

trying to say it has to be totally equivalent to the kinds of programs that we ran or the Russians ran, but this is not what I would regard as a true testing program. And it's just not frequent enough. It's not intense enough to qualify.

That said, the challenge here is maybe less what the North Koreans may believe they have. It may be more what we believe they have and how we respond accordingly. And I must say there's a real art form on the part of this in terms of how North Korea sells its wares, or advertises it wares should I say, sometimes in very obscure ways. I mean, Evans noted, for example, that Sig Hecker went to Yongbyon and I might add not only was it under our noses; it was with this glorious new blue roof over this reconstructed, reconfigured building. He was the first and still to this point last western visitor to observe the enrichment facility. We do not know what is going on under the roof of that glorious building. We do not know what is or is not going on in other facilities elsewhere in North Korea. And it's much, to Dr. Hecker's frustration, but the North Koreans won't let him back in. Maybe he disclosed a little too much the last time. So that's all part of this.

MR. PIFER: But this is, I think, though the good news about rockets as opposed to how the enriched uranium and plutonium is that if you're going to launch a rocket, given the radar coverage that North Korea has now, we're probably going to have a pretty good idea. We're going to have a chance to see it. Now, it doesn't preclude the North Koreans, for example, from doing tests underground of the engine and such but, you know, if you really want to have confidence I think most American rocket engineers will say I want to fly it a few times. And that should be very, very visible.

MR. REVERE: Well, just one point on that. I think it's important to keep

I mind that a number of the new systems that the North Koreans are developing are road mobile systems. And so under certain conditions we might not see these systems being ramped up and readied for launch. That's one thing to keep in mind.

Another thing to keep in mind, going back to the visit to the nuclear facility at Yongbyon by Dr. Hecker and his team, when the former U.S. director of the Los Angeles Nuclear Weapons Laboratory goes to North Korea -- Los Alamos, I'm sorry -- and sees what he describes as a state-of-the-art uranium enrichment facility, it ought to remind us not to underestimate the technical capabilities of North Korea. We've been guilty of doing that in the past and we just need to be very careful on this point.

MR. BUSH: Jonathan, let's move to China, which is obviously a very important factor here in terms of its political influence in terms of the implementation of sanctions and so on. China itself has a new leader. What do he and his colleagues think about this situation unfolding before their eyes?

MR. POLLOCK: I think that this test may be or this series of events may be different as seen by the Chinese, both because there is a new leadership in China and that Kim Jong-un and those around him, whoever he may be listening to, have decided to challenge the Chinese on the fundamentals. The Chinese have tried repeatedly, and it's a record unblemished by success, going back to the time of Kim Jong-il's stroke, to make in effect, an investment, a political investment and to some extent an economic investment in the north, on the belief that a new leader would not necessarily replicate and further pursue what his father in particular had done and his grandfather as well.

And at first I think that the Chinese saw a reason to kind of get in effect a bit of entry into the North Korean system if they could on the basis of this new leader who

at least at first made some other noises. In fact, I would argue that the United States made a very, very similar calculation. If you look at the February 29th agreement, it was premised on the idea that, you know, let's see whether or not a new leader will divest himself of what proceeded and see whether or not there's some kind of a basis on which negotiation can proceed.

The problem, unfortunately, is that after some modest signals, recognizing that young Mr. Kim is a very extroverted individual. He resembles his grandfather in eerie kinds of ways. His father was much more introverted. But what we see now, and I think that this is what is particularly distressing to the Chinese leadership, is having made this investment you're in the same position where you cannot take the North Koreans at their word.

For example, the Chinese elevated a new politburo in the party congress in November. Li Jianguo, who is one of the members of the new politburo, traveled to North Korea in weeks following that, had discussions with the North in a visible kind of way, and he even came carrying some kind of a letter. We're not quite sure what the content of that letter may have been. Yet again, he raised what his predecessors had raised with the North Koreans, with Kim Jong-il time and time again. We want a predictable relationship with the North. If you've got some kind of an urgent situation or are planning something big, we need to know about it. Of course, they were never told really in advance. So Li Jianguo returns home and within a matter of days the North Koreans announce that they're going to launch a satellite.

This offends the Chinese in all kinds of ways, and the question is with Xi Jinping, if you will, a new sheriff in town, will the rendering on this be different precisely

because now for the first time the Chinese are acknowledging the extent to which what North Korea is doing is directly affecting their vital security interests. They're not defending the North Koreans in the same way anymore. They're not even making kinds of accusations directed that much against the United States. I would argue the Chinese have been very temperate in their reactions to the American military deployments prompted by the added North Korean behavior. This may be to some extent things we've told the Chinese to keep them fully informed that it is not directed against them.

But, you know, the Chinese can connect the dots here. If you now have arrived at the conclusion that North Korea, by whatever means, wants an operational nuclear deterrent, that is, to say the least, deeply vexing to the Chinese and leads them to think, I think, about this relationship potentially in very , very different fashion. It does not mean that the Chinese are going to cut the North Koreans loose, but the Chinese, I believe, are actively deliberating how do they impose costs on the North for its behavior because it's really harming their interests in a palpable way?

MR. BUSH: Okay. I'd like to turn to one of the reasons that China is probably concerned about the trend, and that is the implications for regional peace and security. I'd like Steve to talk first about something called extended deterrents, and then Evans to talk about a related topic and sort of proposals we're hearing in South Korea that maybe it's time for us to get nuclear weapons, too.

MR. PIFER: Well, unintended deterrents. The basic idea of deterrents is to persuade a potential adversary that the risks and costs of his or her preferred action are all out of proportion to any possible gains he or she might hope to achieve. Extended deterrence is a bit more difficult. I mean, I think it's fairly easy for the United States to

persuade another country that a nuclear attack on the United States or a major attack on the United States runs the risk of a nuclear response. What the United States has tried to do going back to really the late 1950s is to extend that nuclear deterrent to cover allies; basically, to persuade potential adversaries, in this case North Korea, that an attack on South Korea could run the risk of an American military response up to and including nuclear weapons.

Now, this was not just to protect allies. Part of this was also designed to discourage allies from acquiring their own nuclear weapons capability. And in the 1970s, South Korea did indeed have its own nuclear weapons program. I think Australia as well considered in the late 1960s having independent nuclear weapons capability. So part of the extended deterrence challenge is not just deterring the foe but assuring your ally that yes, the American commitment is there and it's solid. And up until the early 1990s, the extended deterrent in South Korea was actually supported by the presence of American nuclear weapons on the Korean Peninsula and also by sea launch cruise missiles on board U.S. Navy submarines and surface ships in the Western Pacific.

Now, those were actually withdrawn by a decision under President George H. W. Bush, but at that point there was a very clear message that one, the United States' strategic nuclear forces based in the U.S. would extend the deterrent, and that the United States also retained the capability if need be to deploy back into the region a nonstrategic or tactical nuclear weapons capability. And in 2010, when it put outs its nuclear posture review, among other things, that posture review calls on the U.S. military to maintain those capabilities, both to deploy strategic weapons if necessary for the extended deterrence, and I don't think it was any accident that the U.S. Air Force chose

to fly two B2s over South Korea two weeks ago. But also in the nuclear posture review is this idea of having the capability to forward deploy into the area dual capable tactical aircraft if necessary, although I don't think anybody's talking about that at this point.

So that's, I think, one of the things that the administration is trying to do. It also is trying to do this in the context where the administration would like to more broadly reduce the number of nuclear weapons in the arsenal and also reduce American reliance on it. So there's a bit of a tension there between on the one hand reducing nuclear weapons, reducing the reliance on the overall security strategy while still communicating to an ally like South Korea that that nuclear deterrent is still there and that in particular South Korea does not need to develop its own nuclear weapons capability.

MR. BUSH: Okay. On that last point, Evans, would you like to offer reasons why?

MR. REVERE: I'm certainly not going to defend the view because I think it borders on the irresponsible, quite frankly.

MR. BUSH: But why not?

MR. REVERE: The notion that South Korea needs nuclear weapons to me, which is an argument that's been made by a very small number of academics and a few politicians in South Korea, and it's certainly not a mainstream view and certainly not the South Korean government's view, is to me a potential to make -- has the potential to make an already difficult situation incredibly more difficult in Northeast Asia. The international nonproliferation regime, the global nonproliferation regime is already under attack, if you will, by irresponsible countries like North Korea. And the idea that you would spread nuclear weapons to yet another party to me would undermine the

international nonproliferation regime that much further.

Beyond that, as my colleague has already eloquently stated, there is a deterrent in place that is more than adequate to the task of deterring North Korea, and if deterrence fails in dealing with North Korea using all of the assets in our strategic arsenal -- and our South Korean allies know this and I believe accept this -- I think it's very important at this stage of the game to ensure that there is the utmost confidence in that extended deterrent by our South Korean allies and our Japanese allies as well. And I think that the Obama administration with the B52 deployments, with the B2 deployments and other statements that we've made, have done exactly that. That's the right way to respond to this crisis; not by making it even more complicated by reintroducing nuclear weapons onto the Korean Peninsula or having the ROK develop its own nuclear weapons program.

MR. BUSH: Okay, thanks.

We've spent a lot of time analyzing the situation, and now we want to turn at the end to what to do about it. And Evans has made the important point that as much as one would like a role for diplomacy and negotiated sort of solution or management of these problems, the conversation that the United States wants to have now is quite different from the conversation that North Korea is willing to have. And vice versa.

So the question then is are there specific things that might be done to get us off this dime and produce a more useful and mutually beneficial, mutually acceptable conversation? And to start I'd like to turn to Mike, who has written about this.

MR. O'HANLON: Thanks, Richard. Just one idea. And again, this is to

add to the mix, and I know we all are cognizant of the need to be reflexive -- excuse me, to be adaptive to whatever circumstances may present themselves, not to prescript our entire response now, but it does strike me that if we see another major North Korean provocation, one idea we might want to contemplate is the idea of what I would call temporary sanctions or sunsetting sanctions. Automatically sunsetting sanctions, which would basically be in force for two or three years. They would be additional to all the existing sanctions which I don't propose reformulating. And those are essentially written in an indefinite way. There's no time period at which they expire, and I don't think there should be until we get to a better place in our overall relationship with North Korea.

But let's say there's a nuclear test this summer. I think under these circumstances we might want to consider the idea of additional fairly tough sanctions, but ones that would last for a couple of years. To me there are two big advantages to this. One, I think it's easier to get the Chinese on board, this kind of an idea; and secondly, I think it's easier to give the North Koreans an incentive to backtrack from the continual provocations because the additional sanctions only expire if the provocations stop. So if the tests continue or if there's another lethal use of force, for example, then you would continue to see these sanctions kept in place.

And so I would just want to add that to the mix of concepts we might want to contemplate. Let's hope we don't have to go there. Let's hope the Chinese are already doing some quiet things. Perhaps maybe they persuaded the North Koreans not to launch today. Who knows to whom we owe that temporary reprieve? Maybe it's just temporary. But maybe we're already at a point where the North Koreans feel they've done enough and we can get back to normal diplomacy. But if I'm right to worry there

could be another nuclear test later this year. I would just want to add that notion of temporary sanctions to the policy toolkit we might want to contemplate.

MR. BUSH: Okay, thanks. Evans, you've had a specific idea in this regard.

MR. REVERE: Yeah. Let me begin by saying one of the more successful encounters that we had with the North Koreans over the years that we've been talking to them was when former Secretary of Defense Perry went to Pyongyang in the spring of 1999. Now, I was with him on that mission, and one of the things that was on the table there was a very sharp set of choices that we laid out for the North Koreans. We presented two paths for North Korea to travel down. One of them was the path of engagement and cooperation and dialogue and denuclearization, and the other path we summed up essentially by saying you don't want to go there. But Bill Perry made it very clear what that other path might entail for North Korea.

And so it seems to me that if and when, and I hope it's when rather than if, we get back to some sort of a negotiation with the North Koreans, it's going to be absolutely critical for us to sharpen North Korea's choices; to make it as clear as possible, the dangers that they're running by their pursuit of nuclear weapons and ballistic missile capability, and the fact that the United States has not yet by any means exhausted the policy options that are open to us, including covert activities, including efforts to destabilize North Korea, including at the end of the day perhaps even engaging in a policy of regime change. But the message to the North Koreans ought to be you don't want to go there; and to make that choice as crystal clear as possible for the North Koreans.

Now, the problem is getting from here back to the table with the North Koreans. You certainly don't want to create the impression, either the United States or the ROK for that matter, that somehow by getting back to the table we're yielding to North Korean pressure and blackmail here. We certainly don't want that to happen. But at the end of the day, if and when we can get back to the table with the North Koreans, the choice needs to be as starkly laid out for them as possible. And one of the other lessons that we've learned, or at least that I've learned over many, many years of talking to the North Koreans, is that over the years we've been talking to the wrong people in Pyongyang, quite frankly. We haven't been talking to the leadership and the folks who make the decisions regarding maters of life and death in North Korea, and nuclear weapons are regarded as a matter of life and death in North Korea.

So conversations with North Korean diplomats, always a wonderful thing to sit down across the table from my old friends, but you're not going to get any traction with them, as we have now discovered. If you're going to get any traction -- and I'm not saying that this is for sure that we will -- you need to be engaged with the people who make the decisions, and to lay out this very stark choice to the leadership. And they have a couple of choices at that point -- take it or not. If they take it, it's win-win. We're back engaged in a denuclearization process. I'm rather pessimistic, but I also feel that the goal of denuclearization is so important that we ought to give it a shot at the appropriate moment. And if we can get back to the table and they accept this notion of a dialogue based on denuclearization, based on the implementation of their commitments, there is progress to be made. But as I said, the alternative for them is to say no. No, thanks. At that point the United States has some very tough decisions to make, including

going down the darker path that Bill Perry laid out for the North Koreans back in May of 1999.

MR. POLLACK: Without being overly flippant, there are elements in what Evans just said, what we might call the Rodman strategy. But to be serious, to me some of the most interesting options that are likely to prevail in this new set of circumstances are going to be questions of whether we can engage more fully with China. The challenge always with North Korea is to deny them any kind of political space that enables them to operate in a relatively unconstrained manner. And I don't want to say that China over the years has given North Korea something of a "get out of jail free card" but there is that element. In other words, as long as pressures don't so impinge that North Korea does not recognize -- does not see an absence of any -- let me rephrase this. That as long as North Korea understands there are not ready alternatives, there are not escape (inaudible) of one kind or another, then you might under those circumstances see them more prepared to inhibit what they do. I mean, that's a supposition I'm making. I'm not saying there are any guarantees here. But it does seem to me, and I think we're seeing some indications of this from Secretary Kerry's visit to Beijing, that some of what we're hearing from the Chinese is much more of a willingness now to look at a U.S.-China conversation about North Korea in a variety of scenarios in order to limit the risks and do whatever is possible to both inhibit their future weapons development and to make very, very clear to the North that we're not going to validate these capabilities, nor are the Chinese.

So this is something that I suspect the administration is going to work quite a bit on in the months to come. That's been a very tough nut to crack, if you will.

The Chinese have been very resistant to these kinds of discussions to this point. But I think that the indications are growing that China feels it is time to start that conversation. That will send a very, very interesting signal to the North, and in my view it's really worth a try.

MR. BUSH: Okay. Thanks a lot. We have a smorgasbord of material on the table. There are some things we missed. Time for questions.

A couple of rules. First of all, wait for the mic. Then identify yourself. Pose your intervention in the form of a question. Keep it brief. All my colleagues are really smart. They don't need a long windup.

So we'll start with Jim Goodby and then Chris Nelson. The mic is coming.

MR. GOODBY: Thank you. Well, thank you all for a terrific set of comments.

You asked whether there was something left out. I think there was one point that I regard as tremendously important that was left out, and that is the closing, at least temporarily, of Kaesong, the Kaesong complex. That to me is the most notable difference between this crisis and all previous ones. And it leaves me even to ask do we really know who's in charge? Who are the right people to talk to?

In the early days of the Kim Jong-un administration there was some talk about market economies -- small farmers and so forth having more rights. That's all disappeared. So is it that he discovered that wasn't the right way to go and backed down? Or did somebody else take over? Is the military really in charge in North Korea? These are questions on my mind. I wonder if you could comment at least on the question

of Kaesong and whether that isn't really fairly significantly different from previous episodes we faced. Thank you very much.

MR. POLLACK: Jim raises a valid point. There was a tinkering once before with Kaesong but this seems much more determined in terms of what North Korea has done. It presumably harms their desire for generating a certain amount of currency earnings and so forth. I think add to this, even if for sake of argument, that North Korea decides that they decide to reopen the complex, and it wouldn't surprise me at all that that kind of an initiative is made, particularly after the U.S.-ROK exercises wind down, whether or not South Korean businesses will see -- will have enough confidence that they would wish to reopen it under those circumstances. It seems to me it's an open question, and that's something that frankly the Park Geun-hye administration is going to have to contemplate.

That said, it does seem to me that we all try to understand who's making the decisions, and in the absence of other evidence to the contrary, I would have to say that it is, indeed, Kim Jong-un and a small circle around him. I would rather that we look at what I'll call behavioral outcomes and not tie ourselves too much up in knots over who might be making these ultimate decisions because we don't have that kind of access. We don't have that kind of an understanding. And North Korea goes to very ample lengths to deny anyone, in particular the Chinese, that kind of knowledge of what is driving their policy. It is something in their kitbag of options that they figured might be undertaken, and if I look at the signals coming out of the North Korean statements, the presumption I think must be that this will be seen as such a definitive action on their part that it would be the last bit of any kind of meaningful cooperation between North and

South that that is going to so vex Park Kun-he and those around her that they will somehow rethink their strategy. I don't think that that's the case, but that's certainly what I think may be operative here in terms of North Korean thinking.

MR. BUSH: Evans?

MR. REVERE: If I could, just a quick couple of points.

On this question of leadership and who's in charge, there's no doubt in my mind that Kim Jong-un is in charge. The dynamic way in which he has taken control of the reins of the party, the military, and the state structure last year, the smoothness of the implementation of the transition to him, the fact that he has been able to remove a number of key players so readily, including military people and replace them with his own loyalists and implement this generational change, if you will, of the leadership and the military, et cetera, all of those things and much more suggest to me that this is a person who despite his youth, despite his relative inexperience, is definitely in charge.

On the Kaesong issue, going back to one of the opening points that Jonathan made earlier in which he noted that North Korea has qualified all of its threats by saying that if the other side does A, we will do B. They've also done it with Kaesong as well. They have not shut down Kaesong. They have made it very clear that there is a suspension of operations and that it's all South Korea's fault. And to me that suggests that they're keeping the door open to a possible restart of the Kaesong operation.

But in the meantime, just to remind everybody in this room, that all of the small and medium enterprises, South Korean enterprises that are being hurt by the temporary shutdown, I hope, of Kaesong, are insured. They're insured by the South Korean government and other mechanisms. The 53,000 North Koran workers who will

not be getting their salaries and the several hundred thousand North Korean family members who are dependent on those workers, I don't think they have an insurance plan. So the ultimate damage that is going to be done here, by and large I think, is going to be to North Korea and to those workers who will not be happy.

MR. POLLACK: If I could just make one other point here, and I'm glad that Evans raised these points, one thing that North Koreans have not yet done is burn bridges personally with Park Geun-hye. There have been a few --

MR. REVERE: They've come close.

MR. POLLACK: They've come close but they're not over the edge yet. And again, they're very artful about the way these things are often done. You could even argue again under Lee Myung-bak, at first they did the first thing. It took them, you know, a few months to kind of get a head of steam up and basically (inaudible), so they have to be asking do they take steps now that in effect rule out any kind of relationship with her and that they will persist down that path for the next 4-3/4 years; in other words, her term in office? We'll have to wait and see but I'm just struck they're not quite there yet and we need to watch that carefully in the coming weeks and months.

MR. BUSH: Chris Nelson.

MR. NELSON: Thanks very much. Great discussion, guys. Chris Nelson, *Nelson Report*.

Jonathan, as usual, you anticipated the bulk of my question, but I wanted to lead -- I found myself very close to Mike O'Hanlon's thinking on the notion of -- in a sense he's saying if they keep testing, sooner or later the DA is going to be right. We may all be retired by then but we know what's going to happen if they keep testing. So

he's arguing, you know, maybe we have to swallow hard and figure out a way to really talk to these guys.

You guys have, I think, very successfully pointed out that as long as we're just talking to diplos, we never quite get to the decision makers. And as Jonathan pointed out, so far Dennis Rodman is the only guy who has done it. So not only is that a psychological bullet we've got to bite, but we've got to figure out a way to talk to the guy in charge.

So to Jonathan's point just now, the South Korean president has said she is willing to directly engage the new kid, and it doesn't have to be about denuclearization. She wants to talk about North-South issues. Is that the door into getting a process going that we can then join -- okay, especially, Jonathan, if you're right -- what I've been calling the China Chimera; maybe it's becoming a little bit more of a reality. We had the *People's Daily* editorial last week which was pretty tough. Not tough on us, and really anodyne on everybody else. So let's hope you're right.

So maybe if we let the South Koreans take the initiative, see how things go, we've got a combination of the O'Hanlon initiative and the Rodman initiative, and we hope that Steve is right, that it really is rocket science and it's going to take them a hell of a long time to actually make these things work. Thanks.

MR. POLLACK: If I could, I really think that the ROK needs to be the lead actor in this process. As I am fond of saying, this is, after all, the Korean Peninsula. It's not the American Peninsula, it's not the Chinese Peninsula, it's not the Japanese Peninsula either. And so therefore, something that is configured around the central role that the ROK plays here, not only vis-à-vis the North, but interestingly, vis-à-vis China.

Xi Jinping had a 20-minute conversation on the phone with Park Geun-hye. Park Geun-hye, who I understand speaks rather good Chinese, for added measure, they mutually invited one another on visits. This is not the kind of stuff that's going on between Beijing and Pyongyang right now. Young Mr. Kim does not have an invitation to visit Beijing, nor are Chinese officials particularly welcome to go to North Korea.

So I'm saying that Seoul has a distinctive relationship here or distinctive set of possibilities that we ought to be prepared to hear out if they've got a different way of coming at these issues because it is my view that sooner or later, after the war fever subsides -- that's my optimistic conclusion, of course -- it would not surprise me if the North makes another run at trying to open doors to the South. That may be seen as a more attractive possibility then, you know, reaching out to the United States, even if you want the United States somehow to validate you as an international actor. And I just don't see the Obama administration doing that.

I'm not trying to say that she will give in lightly here; it's more could there be ways in which some of the goals that she did articulate as a candidate could be pursued prudently, carefully, as an alternative path that might be worth a try, might be worth a lot.

MR. BUSH: When you say she, you mean President Park, not Xi Jinping?

MR. POLLACK: Oh, yes. Thank you.

MR. BUSH: Evans?

MR. REVERE: Well, since we're talking about various initiatives, let me throw out for your consideration the Revere "Let's throw cold water on this" initiative, just

to be devil's advocate here for a second.

Just to remind everyone that, first of all, to be perfectly clear here, I'm a very strong advocate of South-North dialogue, and it is indeed the Korean Peninsula and we ought to remember that at all times. However, South Korea was in the lead at one point during the Lee Myung-bak administration. From the very outset of his administration in his inaugural speech he made it very clear of South Korea's desire to be in the lead, including on the nuclear issue. The North Korean reaction to that was almost unprintable. So that's part of the problem.

The North Koreans may be willing to have a conversation with South Korea but not about nuclear matters, number one. Number two, the North Koreans are deeply uncomfortable with the notion of putting South Korea in the lead, as much as I would support that notion, and so that's another problem. The North Koreans, to the extent that they want to have a conversation about strategic issues, including nuclear issues and the conversation that they want to have is to get the United States to accept them as a nuclear weapon state, they want to have that conversation, preferably with us. And so this is something to keep in mind as we're thinking about alternative mechanisms for getting back to the table. Having said that, I'm very comfortable with South Korea reaching out to the North. I just don't think it's going to have the desired effect on what for the United States is the central issue, the nuclear issue.

MR. BUSH: Richard Shin, sort of four rows back.

MR. SHIN: Hi. Richard Shin, with the *Economists Inc.*

Going back to motivation for North Korean behavior, we talked about a lot of different issues but the question is does Kim Jong-un have consolidated power or is

this just the process of getting there? And I think Evans made a point that he has consolidated, and is it still that part of that consolidation that's going on? Or is it just simply rallying of sabers that's been going on for years, except that we have a new leader in Pyongyang, new leader in South Korea, new leader in China, and new U.N. sanctions, and it's making it much more widely -- basically, has it upped the ante in that sense?

The follow-up question to that is that regardless of what happened, it seems to me that North Korea, Kim Jong-un has gotten himself into a corner and he doesn't have too many responses. Typically, we would think of, well, you know, limited military engagement. Now South Korea's rules of engagement have changed. They have repositioned all these generals who are more willing to take risks in firing back. So that option seems to be very risky for North Korea. Firing missiles, I mean, U.S. Patriot missiles batteries are there. It may fail. I mean, all kinds of things in the Korean press in terms of what North Korea could respond, they simply don't make sense. And so the question is how can Kim Jong-un get himself out of this corner and how can we help them so that it would alleviate the current crisis that we face?

MR. REVERE: Quickly on the first question. The consolidation of power in North Korea is an ongoing process. It's going to take more time. I think he's done a successful job by North Korean standards in getting to where he is now. But he still needs to demonstrate his bona fides as a leader, as a tough guy if you will, as a person who is in command in every sense of the word in North Korea. What better way to do that, both domestically and internationally, then to take the United States on in the current crisis and show how tough and firm you are and how you can take things to the brink? And if you can get the United States and others to come to the table in response to these

threats and begin offering inducements to North Korea to stop this behavior, you've committed two major goals here. You've reached two major goals. So I think that's part of the game that's being played here.

One of the things that I used to say as we were negotiating with the North Koreans over the years is that they were masters of getting themselves painted into a corner. On many occasions at the negotiating table they would create a problem for themselves and then would rely on us to get them out of it. This happened in '94. It happened in '98. It happened on 2000. It happened in 2005. And all too often we have sort of fallen over ourselves to get them out of the bind that they're in. And maybe that's what the North Koreans want now, is for us to get them out of the corner that they have painted themselves into. And my sense is we need to be very careful because we don't want to encourage this kind of behavior if and when we do come back to the table.

MR. POLLACK: If I could add to this, I said before I thought that this was largely a self-generated crisis for domestic purposes. Therefore, I'm going to give you a minimalist way out that Kim Jong-un could do this. The claim in all their propaganda is that the United States is plotting and scheming so that we can launch a nuclear war against the North. We're not going to launch a nuclear war against the North. Kim Jong-un, in time honored fashion, could declare -- if you'll pardon the expression -- mission accomplished. He can have a glorious parade in Kim Il-sung Square because yet again, because of the determination and the strength of North Korea, the Americans have been held at bay one more time through our determination and through the great wisdom of our leader. I'll give you that scenario. I'll give you reasonable odds of that scenario coming sometime in the next month.

MR. BUSH: The threats to fire nuclear at the United States are part of that.

MR. POLLACK: Yeah. Oh, sure. Oh, sure. That's definitely -- because it all fits. It's all of a piece. It legitimates what you're doing in the first place. You present yourself to your own citizens who, you know, we have no way to independently measure how they view all of this, but the presumption of a war footing in the North is so deeply embedded in the history of this state. Even, for example, I might note that in the recent party conference where the claim was, where we will now give co-equal status to economic development and to military development, that is right out of his grandfather's playbook. He did this in 1962, which was the time that North Korea went to full militarization, and they're doing the same thing now. So one way or another, it all has a kind of a reinforcing tendency that presumably he will try to sell to his own citizens. It's a question of whether or not they buy it.

MR. BUSH: Okay. Garrett Mitchell.

MR. MITCHELL: Thanks very much. I'm Garrett Mitchell, and I write the Mitchell Report, which I will note comes just before the Nelson Report in the alphabet. But only in the alphabet, not subscribers.

It's a two-part question. I think they're linked. The first is to ask why was Bill Perry wrong in the op-ed he wrote however long ago it was about what we should do with respect to North Korea. And second, and this comes from a session that Steve led a short time ago on Iran, at which Javier Solano said, as I recall it, that the threshold of international approbation in dealing with issues of this magnitude is rising, getting tougher, I think is a fair assessment of what he said. So I'm interested to get your

perspective collectively on Perry's policy recommendation and whether or not a policy with respect to the DPRK from the U.S. point of view can be arrived at without some calculation about the strategy for dealing with the Iran nuclear challenge?

MR. BUSH: Okay. Evans, do you want to take the first one? Steve, the second one?

MR. REVERE: Yeah. Let me take the first part of that.

I assume when you refer to Bill Perry's op-ed it's the one where he was making the case for an attack on Yongbyon and missile facilities.

MR. MITCHELL: With Ash Carter.

MR. REVERE: With Ash Carter. Yes. In USA Today.

I was in government when the statements were made, and having served in the military and having served in the military in Korea, the very first image that came to mind was not the likely successful strike on the facilities at Yongbyon and/or missile facilities but what happens next. And so the image to me, especially as someone who has family members in Seoul, was the immediate devastation of significant portions of Seoul, South Korea by North Korean artillery. And then leading to a broader peninsula conflict in which hundreds of thousands of people would die. There was no question about who would prevail in this conflict, and there's no question today. I think we're even more capable than we were back then. But that was the image to me.

As a way of sending a very blunt message to the North Koreans about what U.S. options were, I thought perhaps it was a helpful thing to have said at the time. And I think the B52 and B2 flyovers the other days send a very similar message. But once again, consequences. These things have consequences. And are we prepared to

run those risks as a nation? And are our South Korean allies prepared to risk those consequences by taking actions along those lines? I have some doubts about that.

There may come a time. I hope it never arrives, where we have to start thinking about options like that again, but in the meantime there are other policy avenues that should be pursued before we get to that point again.

MR. BUSH: Steve?

MR. PIFER: Yeah. I think certainly one of the challenges for the administration is how do you orchestrate your policy on North Korea with your policy on Iran? I find Mike's idea about perhaps accepting North Korea and capping first, accept them having some capability, but I think one of the reasons the administration would be concerned about that is what signal does that send to Iran? That perhaps we are weakening.

But the other difference I think you find between the two cases is the administration I think still believes that there is (a) a bigger risk in Iran going nuclear, because I think with the North Korean case there's a question. South Korea and Japan maybe, but low probability. But I think if you look at Iran, the worry is what do the Saudis do? What do the Egyptians do? What do the Turks do? So you have a nonproliferation treaty regime which is under great stress. I think the assessment is that Iran going nuclear probably is more stressful for that regime. And it's not saying that the North Korean case is a good one for the regime, but Iran is perhaps more of a problem.

The other thing I think that you have in the case of Iran is in part because the Iranian economy, although it's not fully integrated into the global economy, is more innovated in the global economy than the North Korean economy. So you have had

more tools. Over the last three years, in addition to the sanctions that were imposed by the U.N. Security Council resolution, you've had the United States and the European Union, Japan oppose additional sanctions in a way that I think have inflicted economic pain on Iran. That was easier to do because Iran had those connections to the global economy. And one of the challenges I think with North Korea is we don't have those same sorts of leverage there.

MR. BUSH: The woman in the back. In the very back.

SPEAKER: Hi. Elisa Monica, Explorer Research.

Despite Secretary Kerry's recent reassertions that the U.S. would never accept North Korea as a nuclear power, do any of you foresee sort of an eventual maybe 5-year, 10-year shift in U.S. or Chinese policy accepting North Korea as a de facto nuclear state? And as maybe a thought experiment, what would the ramifications of this decision be, not just for the nonproliferation regime but possibly for North Korean actions or negotiations? Can any of you foresee anything?

MR. REVERE: I think we'll all probably want to jump in on this. But can I just share with you what I see as the central takeaway for me from this ongoing crisis and it relates directly to this. There are some who are arguing that it's time to acknowledge the obvious as some people put it; that North Korea has nuclear weapons and is not going to trade them or bargain them away in some fashion, and that we ought to somehow not necessarily accept them or acknowledge them as a nuclear weapon state but basically live with this for a long time to come in the hope that somehow we can bound the problem, et cetera, et cetera. And there are variations on all of those things.

The central take away from this crisis to me -- and this goes back to the

very first question that Richard posed -- is that we now know very clearly what North Korean intentions are when they have full-fledged medium- and long-range ballistic missile capability and when they have a full-fledged nuclear weapons program, meaning deliverable nuclear weapons. And they're well on their way to reaching that point. The North Koreans in recent weeks have made it very clear to the international community what they plan to do with these weapons. And as I said earlier, they don't yet have the capability to hit Colorado Springs. They apparently don't even have the capability of knowing where it is on the map as we've seen. But they have now said very bluntly and very clearly our intention is to strike. And you can go right down the list of targets that they have laid out.

So for anyone who is making the case that somehow we should accept or acknowledge or deal with or live with a nuclear-armed North Korea, think about that. Use the North Koreans' own words and stated intentions about this is where they are going and this is what they intend to do with these capabilities in a few years' time.

MR. BUSH: Okay. Mike.

MR. O'HANLON: I basically agree, and yet I find we're in a conundrum because this has been our policy, my preference, most of yours, probably, and yet meanwhile the North Koreans keep building up their arsenal. And so the question is how do we try to at least arrest this process and route to what I hope is a long-term outcome that still is denuclearization. But I've read Jonathan Pollack's book enough to know it's not going to be easy. And we can talk out of one side of our mouth all we want to about how denuclearization is the only legitimate goal, and meanwhile, we're all conceding that the North Koreans really want these things. So it seems to me what we have to do is

probably break down the problem a little bit more incrementally.

Remember as well, you know, Kim Jong-un is a 29-, 30-year-old guy who could be in power for 50 years, at least in his own mind. He probably wants to be. Which means does he really want to preside over a failing state for 50 years?

And to link it to Garrett's earlier question, we may be getting a little tired of applying sanctions and doing all this stuff. Imagine how the countries who are getting the sanctions applied to them feel. We've been doing pretty well. We should give ourselves some credit. North Korea and Iran are not in good places in terms of their economic or other development, and over time Kim Jong-un is going to have to face a choice. Does he want to go in the direction of Myanmar, of Vietnam, of China and reform? Or does he want to stay running the hermit kingdom, the only remaining real Stalinist state on earth for another half century? And we want to play to some extent for the longer game without letting things get a lot worse in the short- to medium-term. So I could live with a deal that did not give de factor or du jure a nuclear status to the North Koreans but at least got the first step being one, where we start to loosen a little bit of the restrictions if they stop to the extent we can monitor it, if they stop expanding their arsenal and if they stop testing, and if they stop killing South Koreans. And we can maybe start to walk down a path a little more gradually. I believe in the big vision of denuclearization but we can assert it all we want to. It's not getting us very far year by year right now.

MR. POLLACK: Just one other observation here. This is obviously a hypothetical you've posed. The other question here, and we really haven't addressed this today because it's a different topic for a different time, but it's intimately bound up in

this, is whether or not the North Korea that we see today in terms of its configuration, its identity, its purposes and so forth, would be that same North Korea in 10 years, 15 years, 20 years. Now, I realize there's always these tendencies in the United States to assume that this time these guys are really going down. Collapse is there. They haven't obliged us. Predictions of collapse in the North -- not evolution, but collapse -- have been with us now for over 20 years. And I don't know, you know, again, for another time we could discuss that but I think that there is generally a belief, and I to some extent share it, that North Korea, whatever its remarkable determination and shall I say resilience cannot or will not be able forever to defy the laws of gravity, economically and politically. Maybe that's a calculation people are really making. I'm not trying to say everything about policy should be based upon it, but it is really a useful reminder that this is an acutely damaged society and that if over time there is a means by which perhaps through increased dealings more with their South Korean brethren that you see the end of this regime as we know it, that is something that I think we might be encountering over the kind of period of time that you're discussing. But we'll wait and see.

MR. BUSH: I think we need to bring this to a close. We're at our termination time. I apologize to all the people who still had questions, but the questions we had were very good, and so I want to thank you for that.

I want to thank Evans, and Jonathan, and Steve, and Mike for their great presentations. This is a story that will not go away, so I have a high degree of confidence that we will all be back together again before too long.

Thank you very much for coming.

(Applause)

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2016