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NORTH KOREA'S FOURTH NUCLEAR TEST: HOW WILL PYONGYANG'S NEIGHBORS AND THE U.S. RESPOND?

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P R O C E E D I N G S

MR. BUSH: Three weeks ago this morning North Korea detonated its fourth nuclear device. Sometime between February 8 and February 25 it will test the long-range ballistic missile. And this I think wasn't a total surprise to people -- maybe the timing was -- but we're back into what has been a very complicated issue. And the views of North Korea's immediate neighbors is and remains a very important variable. I mean if the North Korea issue were an automobile, Japan and South Korea, along with the United States, would be the feet on the accelerator and China would be the foot on the brake. And that is being played out now. Whether the situation is going to be significantly different this time is an open question.

So I'm Richard Bush and I'm very happy to welcome all of you here today. This program is sponsored by our Center for East Asia Policy Studies, which I direct, and our John L. Thornton China Center, which my friend and colleague, Cheng Li directs. And we have three great specialists to discuss these issues from the perspective of three different capitals.

Jonathan Pollack will talk about China's response. Our good friend, Sheila Smith, will talk about Japan, and Kathy Moon will talk about the Republic of Korea. They will each talk for 10-12 minutes. I may have some questions for you and then we'll open it up.

So thank you again for coming. Jonathan.

MR. POLLACK: Thank you, Richard. Actually a modest correction, this is actually four weeks since the nuclear test.

MR. BUSH: Oh, okay; sorry.

MR. POLLACK: And North Korea's sense of timing of course is that four weeks to the day, if not to the hour, of the nuclear test North Korea disclosed its plans for another missile launch, satellite launch, so --

MS. SMITH: No, another correction, it's January 6, so we're short two days I think. (Laughter)

MR. POLLACK: No, no, no. It was on a Wednesday. Actually, Richard, what we missed -- the only regret of this event -- and I'm really delighted that we're having it is we've selected the wrong

day. It should have been yesterday, that was Groundhog Day, because we've all been here before. The question is whether this time around things look at all different. It's my own belief, and I tried to suggest in a blog post that I put on the Brookings website yesterday, that we are seeing I think tangible changes in the tone and substance of U.S. policy, captured most vividly by Secretary of State Kerry's visit to Beijing. His words were very, very strong and with a clear implication that we will see actions that the United States has not been prepared to take before. But the question we're asking here is whether we see any comparable kinds of adjustments on the part of any of these three key regional actors and what might the implications be vis-a-vis Pyongyang's estimate, if there is indeed an estimate about the possibility of any kind of more coordinated strategy among the three.

So my task is China and I'm going to pose a couple of questions at the outset and we can go from there. Has North Korea's latest test and the anticipated missile test changed in any measurable way what we can discern in the way of Chinese policy responses or Chinese behavior vis-a-vis the north. And the short answer is no. There seems to be a very formulaic presentation made by Foreign Minister Wang Yi and presumably reflected in other kinds of statements coming from the Ministry of Foreign Affairs that reiterate China's seemingly long-held stance. The curious aspect of this is that as early as 2013, very early in Xi Jinping's tenure, he was in his comments taking a much sharper and harsher tone towards the North. I don't think it was obscure. And he has seemingly pulled back from that and maybe we can speculate as to why.

So the question to ask is if there is Chinese policy change why have we not seen it yet. The sense of silence from China on this issue is really quite extraordinary. Xi Jinping, other than his meeting with Secretary Kerry, to my knowledge, has talked to no other foreign policy maker, no other foreign leader. President Obama has even spoken to Vladimir Putin about the North Korean nuclear test, nothing with -- radio silence, if you will, vis a vis the United States. Even more tellingly, Xi Jinping has chosen not to communicate in any meaningful fashion with the government of the Republic of Korea or with President Park Geun-hye who he has closely cultivated over a period of time. Richard and I were both just in South Korea last week and it is clear that China is paying a price for its silence, equivocation -- whatever you want to call it – vis-a-vis this evolving relationship with South Korea. I don't want to call it

an irreparable break, but it's something tangible.

So the question then is at the same has the test affected in any meaningful way China's overt or under the table willingness to cooperate with others to address this evolving challenge from North Korea. And the answer again is no, at least in the stated words. Now very frankly all states can do things unilaterally in a variety of ways, they can do things quietly, but there's nothing in China's observable language, body language or actual words that thus far at least imparts a different quality. It will be interesting to see whether or not the satellite launch triggers a larger response in contrast to the nuclear test, although again you would have to wonder why the nuclear test has not prompted a more forceful kind of Chinese statement. It's telling in this regard that the statement from the Russian Foreign Ministry of Foreign Affairs is vastly harsher than what China has put forward, including on the missile test.

So the question that I have to ask in my limited time remaining is: are there deeper anxieties or concerns on the part of China that are being a bit masked in this overall circumstance? Here again I think in some significant measure China is flying as blind as everybody else with respect to decision making in Pyongyang. The Chinese do not, so far as I am aware, have any kind of high level channels into the North. There have been leaders who have played that role in the past, one recently deceased in an automobile accident, the other conveniently executed by his nephew about three years ago. So there isn't really a channel here even though you've got this very, very long border and you've got core interests that China has.

So what are these deeper anxieties? A lot of these are very, very familiar, we've heard them before, they go well beyond the nuclear issue. An understandable concern would be over an acute crisis on China's border that could in various ways spill over into China. It's not something that China would seemingly welcome, so it may give China, even under the circumstances of North Korea's continued defiance, to in some measure play for time, minimize the risks rather than confront the bigger realities that are faced. This can include, of course, in some characterizations a major refugee crisis and the like if there were some kind of a breakdown of authority in the North. How high are the odds on that? Very frankly North Korea -- I jokingly like to say when I wake up in the morning and I turn my computer on they're still there. If there is upheaval within the North I haven't seen it. There could be a lot of churn of

one kind or another, but it's not observable to those of use on the outside. But there are concerns that go beyond that. Longer-term worries some would argue that the implications of Korea were to unify, that this would find a unified Korean Peninsula closely aligned with the United States and posing a threat to China under circumstances where China's relationship with the United States seems so problematic. I know we like to credit China often with long-term thinking, but that's too far ahead to me. The more immediate implications are whether or not as a consequence of North Korea's actions the United States, in collaboration with the ROK, and prospectively with Japan, undertakes strategic activities, security activities in Northeast Asia that impinge on China, even if they are not intended to address China, and that this leaves China much more anxious. It wants to avoid that kind of a possibility. You would think in that context that the Chinese might want to step back and ask well, gee, if we're really, really worried, rightly or wrongly, about the implications of heightened missile defense and higher U.S. exercise levels of reinforcements of American forces on the Peninsula and in the region, you would think China might want to give a little thought to what are the things that could be done to forestall these possibilities. They have not been evident. And it really does come back I think in some ways to China's inability to think beyond the immediate circumstances and to really game out where all these possibilities may lead over time.

So what does this all imply about North Korea, North Korean calculations? North Korea seems on a timetable of its own -- that's nothing new. They seem impervious to the entreaties and warnings of others. I might say in this context that in the fall I think China believed it had North Korea in something of a box, that is to say China had warned in September, very strongly, of the implications of another missile test that North Korea was clearly planning in September. North Korea did not test, and of course North Korea faces its first party congress in 36 years to be held in May if it comes off without a hitch. And it may be that China believed or calculated -- or at least some in China believed that there was this window in time where you might be able to move more ahead, or at least get North Korea not to do things that would be overt challenges to existing circumstances. Not for the first time, and I fear not for the last, the Chinese miscalculated and they misestimated. So if there is a belief in some circles in the United States that China has a great deal of influence and sway over North Korean decision making, it's news to me. What China does have, however, is not only its immediate presence, but its deep economic

involvement in the North and a belief in the United States -- and maybe we'll come back to this -- and elsewhere that if China so chose it could impose costs on North Korea that would compel North Korea to think much more seriously about how it looks at these issues and much more challenging to extant norms and beliefs.

So here we are. We're stuck yet again. And we have to ask what can change the nature of this debate and is it possible for a serious strategic conversation between the United States and China that has yet to occur, but urgently in my view needs to be addressed.

Thank you.

MR. BUSH: Thanks. Great start. Sheila?

MS. SMITH: Thank you, Richard, and thank you all for having me here. I'm delighted to be part of the conversation.

I'll pick up a little bit on the Japan side where I think Jonathan left off. Let me start first by talking about Japan's response to the nuclear test. As you know it's largely diplomatic for the Japanese, right? The immediate response is to talk to the United States and through the United States to Seoul. So the coordination there was immediate and information sharing between the Japanese, South Koreans, and the U.S. analysts was a primary tool for analyzing what was happening and how Japan ought to respond. The nonproliferation conversation of course in the United Nations Security Council, and Japan is a non permanent member sitting in the Council deliberations, which is helpful for Tokyo and it makes -- for the United States it gives the United States a very proactive partner in that conversation. That being said, of course, the conversation between Tokyo and China has not been what it should be frankly, and given this is our -- I don't know which number of iteration we want to call this in terms of the diplomacy regarding North Korean provocations, but China has always been one of the phones that the Japanese pick up. And whether it was in the six party framework for the regional security conversation, or it was just in the bilateral context, that conversation is muted at best. And I don't have any evidence that there's direct dialogue today. So the silence, Jonathan, you were referring to in Beijing or from Beijing I think is a silence for Tokyo as well, to my knowledge anyway.

As you know, in 2006 for the first time then Prime Minister Abe imposed sanctions on

North Korea, for the first time. It was the first overt unilateral use of sanctions for behavior that Japan did not approve of. And those sanctions were lifted a couple of years ago when Japan and Pyongyang began a renewed conversation about reinvestigating the fate of Japanese who are missing in the North, both the abductees, who are clearly identified as having been abducted by North Korean agents, and also hundreds of missing persons cases that the Japanese police have gathered over the years that there is circumstantial evidence that they might be associated with some kind of North Korean behavior.

So that conversation that Pyongyang instigated with the Abe cabinet then led to this kind of relaxation of the sanctions that had been ongoing. Those are token sanctions largely. I don't want to underestimate their importance in the diplomatic conversation here, but they are things like ship visits, port calls, approval for North Korean visits to Tokyo, and vice versa. There are also a much closer monitoring of remittances from Japan by the financial officials in Tokyo. So those sanctions had been lifted in the hopes that the reinvestigation of the Japanese missing in the North could actually prove to be fruitful. It has not been. So the Japanese government has announced that it's willing to unilaterally re-impose sanctions or apply new kinds of sanctions unilaterally outside the framework of the UN. So that's where that conversation is on the nuclear test.

There is a security concern of course in Tokyo and especially now that the North Koreans that they're going to have this new missile launch. You saw four or five days ago the Minister of Defense, Mr. Nakatani, announced that the Japanese self defense forces were on alert in case of a launch. This is very similar to 2012. It's simply Japan has put its, in particular, air self defense force and maritime self defense forces on alert so that they will have their ballistic missile defense systems in operation at the time of launch, whenever that launch takes place. You're probably aware that the maritime self defense force is the major platform for Japanese ballistic missile defense, so sea based ballistic missile defense. You've also seen pictures coming out of Tokyo

I'm sure of the Ministry of Defense and other military installations of Japan activating their point defense systems, their PAC-3s. So they are on defense, the highest alert in case of a missile launch by the North.

I think it's always useful to remind people that we're talking about a western launch from North Korea. So the launch trajectory is over the East China Sea, which as you know is increasingly

occupied by a variety of military and other kinds of maritime forces. It's a particularly busy space, so expect all forces in the region to be on pretty high awareness of the interactions not only between North Korean missiles, but also between obviously the Chinese and Japanese maritime forces.

So that's the military response. It's fairly consistent with what the Japanese did last time. Minister Nakatani was very clear to say that this is only to be used in the case that debris from either a failed launch or a mistaken -- some kind of accident would bring debris into Japanese air space.

So I think the bigger questions are the questions that Jonathan was raising really about what this says for the future and what does it say about Japanese strategic thinking, and also what it says for the alliance. Very clearly the Japanese have been having a fairly complex conversation with the United States about the extended deterrent the United States offers to Tokyo. For a long time the Cold War, and for many years after the Cold War ended, Japan was relatively passive in this conversation about how the United States provided an extended deterrent and what kind of extended deterrent would satisfy Japanese security concerns. So that's a bilateral conversation that's been going on now for several years. I think that that's a conversation we're not privy to the details of, but I think you're seeing the Japanese play a much more active role in shaping American thinking about extended deterrent structures in Northeast Asia, both in the bilateral alliance and more broadly. So clearly the acquisition or improvement of North Korean nuclear capability, potentially the militarization of a nuclear warhead. And if we have a consistent demonstration of success in an intermediate range ballistic missile this will clearly raise the threshold I think for Tokyo in thinking about what needs to happen in terms of extended deterrents.

The second piece, but related, of course is Japan's own conversation about its own defenses. To date the Japanese have deployed systems that are largely what they call passive in nature, so ballistic missile defense systems, not an active defense system. In other words, not long-range cruise missiles or regional capability. That question is under consideration and under study in Tokyo. I don't think we should be surprised if it becomes a little bit more obvious that the Japanese may want to move in the direction let's say of a jointly managed platform that would allow them to respond, or them and us to respond to missile testing by North Korea.

And then, finally, the longer-term question is this question of the alliances, the virtual alliances, or not so virtual at the moment alliances. I'm not sure what the right language is, but clearly the integration of the U.S.-Japan alliance and the U.S.-ROK alliance in terms of dealing with the Peninsula situation, incident, blow up, whatever the right phrase here is, is really critical for U.S. policy makers. That we need to push the conversation a little further on how we integrate our ability to respond collectively with Seoul, Tokyo, and the United States should the North continue to move in the direction of a demonstrated capability that would challenge extended deterrents in Northeast Asia. And so I think for Tokyo as well there is a hope that there will be greater information sharing with Seoul maybe directly. Right now they share information via the United States independently with the United States, and then the United States shares with each partner. But I think there's a desire to move that conversation with Seoul forward. I don't know yet how -- and Kathy will probably help us understand -- how the missile defense conversation in South Korea is proceeding, but ultimately of course missile defenses in Japan and missile defenses in South Korea will need to speak to each other, at least if not be interoperable.

So there are some serious questions I think as North Korea proceeds down this path. Jonathan was alluding to the fact that China needs to be aware of this. I think policy makers in the region are already quite cognizant of the fact that we're moving out of our comfort zone, of currently existing efforts to deter aggression by the North. And pretty soon the alliances really do have to come to grips with the fact that they're going to have to deal with a very different Pyongyang if we allow it go much further.

So let me stop there.

MR. BUSH: Okay. Thank you. Kathy?

MS. MOON: Thank you very much. I am going to talk briefly about Seoul's position, responses, much of which you know, but also in doing that I'd like to focus on some of the continuity in policy and some of the seeming changes. I can't say they're fully changes yet because they haven't occurred officially. But I would really like to focus on the larger issues about whether past efforts at trying to get cooperation from China, Japan, Russia, et cetera, the UN, whether these are really the right paths to take again and again and again. And for those of you who are not familiar with American pop culture,

Jonathan's reference to the Groundhog's Day, it's a movie with Bill Murray. I mean that is brilliant because in that movie you wake up and it's the same day over and over and over. He wears the same thing, the eats the same thing, the does the same thing, and it really resonates with actually not Kim Jong-un or North Korea -- North Korea is trying different things. I feel like we're the ones outside of North Korea responding with the same things. So we need to try different suits, we need to try eating different foods, we need to try to break out of this Groundhog's Day trap, prison. And so I'd like to really push us to think about how we might do that.

As far as Seoul's responses go, many of you now President Park and the military have taken very strong positions rhetorically as well as in terms of military posture to be ready for anything. And of course we know that the South Koreans turned on what they call "popaganda", "K-pop propaganda", tactics, weaponry, arsenal, yet again. I actually watched some of this -- I don't watch K-pop but I watched this in preparation --

SPEAKER: Oh, admit it.

MS. MOON: I really don't. (Laughter) I don't watch American pop either, I don't have time. I'd much rather listen to opera, but that's me. But I did watch and the boy band, Bang Bang, and I can't understand a darn thing that they're saying, and I do wonder how much the North Koreans can understand when I can't even understand them. But nevertheless it's catchy, it's interesting, and it has a certain place in the -- it's asymmetrical warfare in a different kind of sense of -- South Korea is a stronger military power but using unconventional tools with which to try to subvert some of the legitimacy of the Kim Jong-un regime, and that is continuing. The North Koreans have increased their capacity to retaliate against "popaganda" by turning up their propaganda against the South Koreans. Yesterday all over Twitter you might have read about the balloons that were sent in by the North Koreans, they're now imitating the South Korean activists, the defector activists in particular, who send propaganda into the North. Well, the Northerners, the North Koreans sent in big balloons filled with used toilet paper, right, with human feces or animal feces, I don't know, garbage, trash, gum wrappers, cigarette butts. So I mean we talk about dirty warfare in different terms in a strategic sense, but this is really getting disgusting on a crude level. So we have that kind of response on both sides.

But the North Korean Ministry of Unification, the Blue House, they are sustaining trustpolitik, which to me is a little bit confusing. I think trustpolitik has been confusing from the start, but now it is truly becoming more confusing because the government says that it will maintain the basic principle of trustpolitik, but the focus will shift from dialogue and cooperation to firm response. The whole idea of trustpolitik was peaceful dialogue, negotiation, and reconciliation -- acts toward reconciliation. And of course we know it needs two to tango. One aspect of trustpolitik that we thought had promise was the family reunions that occurred after the August DMZ event and of course now that has fallen by the wayside. I think the Korean government needs to clarify -- you either have trustpolitik or you don't. Right now does not seem a time for trustpolitik. This is a time to really reassess what is not North Korea ala Kim Jong-un, Kim Il-sung, but what is North Korea ala in terms of the leadership of Kim Jong-un, that culture up to. And I see it as very different from Kim Jong-Il's time, his father's time. Trustpolitik might have been more effective during Kim Jong-Il's regime. I don't think so under Kim Jong-Un.

The ROK has put -- along with Trustpolitik, which was to also let individuals and private groups try to meet and learn to get along, build trust. One aspect of that has been stopped. The ROK has put a temporary cease or halting of civilian exchanges and reduced the number of South Korean workers in Kaesong to the minimal amount. The latter part I think is a safe measure. I think that is a defensive protective measure to protect South Korean citizens. However, I think that preventing South Koreans from going to international conferences that have to do with peace, that have to do with women's organizations, that have to do with environment, that have to do with development, education, I think that is not a good move. I think citizens should be permitted, South Korean citizens should be permitted as a free society to go, represent their interests as civil society members. If there are North Koreans, you deal with them in a way that seems appropriate in the context. But I think to prevent citizens, South Korean citizens, from going to conferences just because North Koreans would be there is not the right move.

The South Korean government is continuing of course to support whatever the UN Security sanctions will be and lobbying hard for strong -- what Park Geun-Hye calls a bone numbing -- it sounds weird in English, but in Korean it's a long -- it's not a new term. I mean I've heard this through my own family, you know. I hurt my mother, oh, my -- I'm so bone numbingly hurt by you. So it's not that

dramatic, okay.

MS. SMITH: It sounds dramatic.

MS. MOON: It sounds dramatic, but in Korean language it's like it's Korean drama, you know. But at any rate it means that the government is serious. The South Korean government wants to see as tough a sanctions regime as possible and then enforcement of course. And then the ROK government itself will maintain its May 24th sanctions which many thought might be negotiable. In the last couple of years there was talk and now that will be frozen for some time.

In addition to these already existing policy measures there are some additional ones that have gained more traction since the testing of the alleged H Bomb. One is it looks like the North Korean Human Rights Act or legislation regarding North Korean human rights will have a better chance of becoming passed in South Korea. This legislation has been held hostage by party politics, the left-right divide. It's been poisonous and I think South Korea in my opinion should have had one a long time ago. But nevertheless it looks like the moment is a better moment for bipartisan, or multi partisan at this point, collaboration. But, again, this is South Korean politics, it's volatile, it can change any day, I'm not making any promises.

Two, of course, the missile defense, whether it's fad or whether it's the Korean indigenously made missile defense system, this has now become much more salient, not only in the defense sectors in South Korea, but also in the legislature and in civil society. I think regardless of China's resistance South Korea is more willing to test the waters on this than ever before. And there is -- let's see -- oh, the creation of an ROK nuclear arsenal is the other bit of information that we should keep in mind. Chung Mong-joon of Hyundai has been one of the proponents of this for some time and now he has come out more forcefully and he has actually been getting some party support, some of the leaders in Saenuri party, et cetera, to consider South Korea having its own nuclear arsenal. And that might be an interesting topic for discussion.

Let me just briefly talk about how we can expand this dialogue, or at least the thought process, because in my view I don't want to see another Groundhog's Day repeat itself. And the way we're headed, that's where we're headed. I don't see the U.S. position as really anything major in terms

of changes. I don't think we have a policy change position because we don't really have in my opinion a very clear policy about what to do with North Korea. Whatever we've been saying, it's not been working. And yet we won't admit that it's not working and move on to something different. When I look at what to do with North Korea we need to consider the goal, the process, the effect. The goal of what to do in North Korea is unclear on the part of many of the six party members. China, the U.S., South Korea are the farthest apart. And of course Japan in there with different interests in addition to the nuclear issue. Russia, unclear. Sometimes it says, you know, we're going to come out tougher this time, and then I just read something that said that Russia, we are much more in line with China than people assume. So again, what are the different parties' goals, the party members' goals? If we don't have clear goals among the five parties, we're in trouble. Non nuclear North Korea has been the mantra, you know. It's what we say with our prayer beads, please don't let North Korea continue to do this, but we all put up with its nuclear activities and acknowledge unofficially that it is a nuclear state. Officially not, but we acknowledge, we act that way, all the countries involved. We had an opportunity at the end of the Clinton administration to change the future and avoid this current mess, but I won't go into the past, it's not worth it. The first nuclear test was under Mr. George W. Bush and then the tests have continued in this administration. This emphasis that started with George Bush focusing on China as the partner that should deliver, like a midwife delivering a newborn baby to the rest of the world I believe has been wrong from the start. We never should have relied on China from the start. North Korea is never going to be a new baby delivered to us, all right. And if it were it would be more of a mess than it is now. With Kim Jong-il we might have been able to negotiate a freezing or reduction for the long-term because I believe that Kim Jong-il had an understanding of nuclear weapons being tied to specific strategic and diplomatic goals. I don't think Kim Jong-un has that clarity of means and ends. I think Kim Jong-un wants nukes for the sake of nukes. I think he has drunk the Kool-Aid -- this is another American metaphor, meaning back in the -- was it '70s -- Jim Jones was a religious cult leader who basically killed his followers -- it's not that different from what North Korea is -- by having them drink Kool-Aid laced with -- I think it was cyanide. Okay. So Kim Jong-un has drunk the Kool-Aid, his own people have drunk the Kool-Aid that more nukes is more power and more nukes equal staying in power. Bigger and faster is better in perpetuity.

So this is a problem. As far as the process going -- I know I'm up at time -- I'll just go very fast -- as far as the process, wrong from the outset to rely on China. It's no longer the Sino-North Korean relationship at stake, but China's own interests are primary. Unless North Korea's actions threaten Chinese territory, its people's health, political stability, my belief is China will not act. And action by China will not mean that it can stop North Korea. It's not going to use military means. And even economic means has limits. North Korea will be ready to let its people suffer again. North has also historically used China and challenged its big brother role while benefitting from it as well. So there is a lot of North Korean resentment there. It's not clear that the North will follow the Chinese, no matter how bad the so-called punishment is.

As far as sanctions go, Kim Jong-un's regime will take all sorts of "punishment" -- we've been using this word "punishment, punishment, punishment" as if this is a child that needs to be spanked. This is a gangster who doesn't care about a spanking, he's out ready to kill and be killed potentially -- at least have his people be killed. So I don't look at punishment and leading to privation as a major incentive for North Korea to change its ways. As far as the people who support Kim Jong-un, deprive them of their luxury goods, so what. If they complain, they'll die, their heads will roll. They're not going to complain. The most appropriate sanctions are to reduce the possibility of materials for the nuclear program that go into the North, but there are problems there because much of it leaks from the Chinese side. China has very poor export controls, even among its own people, let alone the stuff that goes into North Korea. China apparently also benefits from some of the parts that North Korea sends out. Germany has been sending China some high tech equipment and parts for various things which then has become siphoned off into North Korea. So this is not just a China related issue, this is a multinational problem.

My last bit here is that getting nations and others providing what I call plain but privileged consumer goods like Coca Cola, which is imported from Italy, fruit juices from Malaysia, mining technology and knowhow from Mongolia -- these are all countries that the U.S., South Korea, are friendly with -- I think if we target the goods that the new rich in North Korea have become accustomed to that may have more effect because they're not in cahoots with the very top of Kim Jong-un's elite cohort, but

these are people who are benefitting from the regime. If they don't see their daily benefits they may react. So get normal Pyongyang people, not just top elites, to suffer a bit.

One out of the box consideration, remove North Korea from the United Nations, kick them out. UN is a club; it has rules and norms like any other club. North Korea has violated every kind from the COI Report to going against the Security Council resolutions. What's the point of keeping them there? I'm just throwing that out as provocateur.

MR. BUSH: Thank you very much. I'm sure we'll get back to many of Kathy's points during the Q&A. I would like to pose one narrower question for the panelists. I guess for Kathy and Sheila, to what extent did South Korean leaders and Japanese leaders publicly after the nuclear test sort of stress the role of China? And I emphasize the word publicly.

And then for Jonathan, with that background, Secretary Kerry was very quick out of the box in emphasizing the role of China and its obligation to sort of get tough. Do you think that that was a proper way to actually elicit China's cooperation, sort of publicly essentially warning them? Or was there another way that would have been more effective?

So let's start with Kathy and move down.

MS. MOON: Well, I went over so I'll give my share first to Sheila and fill in when I can.

MS. SMITH: So the Japan-China relationship as you know at the moment is in a restorative phase. Let's put it that way. (Laughter)

MS. MOON: Healing, healing.

MS. SMITH: Yes, yes, we're trying to get back to normal, whatever that is now for the Japan-China relationship. And in a more serious note, I think that there have been not public but private efforts to communicate, but today to my knowledge they have not been successful.

Prime Minister Abe was very quick after the nuclear test, and then as I said Minister Nakatani very easily after the announcement of the satellite launch schedule, that they basically spoke out very fast. China was not in the text. Diplomats have been engaged as far as I know, but again not a political statement of pressure on China to act. I think the other place to look of course is in the UN Security Council where the diplomats have been pushing quite hard. But I don't know that this moment,

that an overt Japanese effort to out the Chinese or to push the Chinese out of the box of silence that Jonathan referred to would be very effective or very helpful either to the Japan-China relationship. So I suspect there's more going on here than the specific response to North Korea.

I will say it's been really interesting to me -- and I know it's not part of your question, Richard, but it's also been very interesting to hear a lot of Japanese focus on Washington, to help with our friends in Korea. So there's a residual kind of effect of the kind of the last several years of deterioration in the Seoul-Tokyo relationship that we're also seeing, and on the quiet side of diplomacy as well.

MR. BUSH: Katherine, do you?

MS. MOON: I agree with everything Sheila said. Just two things that might be of interest. The South Koreans have been looking at their efforts at wooing China for a quick short-term return. And I think South Korea should separate its longer-term relationship with China from its immediate need for Chinese effort, assistance, or support. It is not a broken relationship because Xi Jinping did not answer the phone or the Defense Minister in China did not answer the ROK Defense Minister's hotline, but just separate them, have a long-term view. There are a lot of other issues besides North Korea at stake between the Sino-South Korean relationship.

The second is people have wished that a five party talk, including Park Geun-hye, would occur. I want to throw something else out there, you know what, if China doesn't want to join a five party talk, have a four party talk. Get the Russians on board because the Russians have an interest in working with the U.S. to some extent. Pit Russia against China for now. A South Korean academic or analyst in a South Korean paper wrote right after the H Bomb alleged test that oh, this is what the North Koreans always planned, to isolate China and to push the Japanese, South Koreans, and U.S. together, and then this way the Chinese will have to stay with North Korea. And I think that's a very naive interpretation. The Chinese have no interest -- they've got nothing to gain by having North Korea as their main ally. But they could get a message, you don't work with us, we say this is urgent, okay, we have no choice. We've got to work on our urgent stuff. So have a four party talk, bring in the EU.

MR. BUSH: Jonathan?

MR. POLLACK: Secretary Kerry's initial and very public statement in my own view was ill

advised for one reason and one reason only, that if you in a very overt public way engage in chastising allegations against China, it immediately flicks the switch of a very, very ritualistic response from China, that they will react in a way that guarantees that you make no headway. He's made a statement, however, when he was in Laos that I thought was much more constructive which indicated that his intent was really to move toward confidential conversations with China if possible. Make this a lower volume, and therefore a less scripted, if you will, process. And although his comments in Beijing, in the press conference with Wang Yi, were very, very forceful, that's a more appropriate context where two leading foreign policy officials are talking about their deeper concerns. It's very striking, and I think heartening in a way, that there was no statement of any way, shape, or form about the results of Secretary Kerry's meeting with Xi Jinping. Nothing, not a peep. And I know we live in this very media driven age where the presumption is at the end of any meeting let's have a press rollout, let's speculate about this, speculate about that. That doesn't get us anywhere. If we're going to make headway here it's going to have to be through quiet, private conversation.

Let me, if I could, Richard, inject two other considerations that we haven't really talked about. It seems to me when we talk about North Korea we talk about two very different trajectories. One is whether or not this regime is sustainable over the longer haul, economically, politically, otherwise. I know the United States is very, very partial to arguments that, you know, their end is at hand. I don't detect that kind of thinking, frankly, presently in the Obama administration, nor do I think that the adjustments, the changes in U.S. policy have that as a design in mind. It is much more to impose costs on North Korea for its pursuit of nuclear weapons and missiles, thereby hoping to inhibit its activities and the rate of progress. So that's one trajectory.

The other trajectory of course is the rate at which they will materialize and mature a capability with respect to nuclear weapons and missiles. It's very striking here. I'm not one to low ball the risks, but North Korea does not test frequently and the results are often rather problematic. North Korea may make elaborate claims for what it's achieved, but if those are not evident, let's not give them credit for what they haven't done.

So in that respect it's worthy of note that the nuclear tests seem to have come on a three

to four year cycle. Missile tests, a little more frequently, but not all that often. Why? These things cost a great deal of money. They entail great preparations. North Korean resources are necessarily constrained. And although I know people think that the sanctions just haven't worked til now and they're very, very leaky, I'm not going to presume an answer to that. If you had no kind of an effort to constrain what goes in and what flows out it could be they would be making more rapid progress. So maybe what Kim Jong-un wants to do is say look, we're going to ratchet this up, we're going to do these things more often. We've built up more impressive launch sites. If you saw a more rapid turnover in their testing program would that elicit a different kind of response?

One last thought, I would just say in terms of consequences, it was implicit in a lot of things that I was saying, but if Xi Jinping believed over the last year or more that he could somehow wean the ROK from its close relationship with the United States and somehow move South Korea to some kind of an in between position -- South Korea is in an in between position, they can deal with both -- but the latest events, the fact, the test itself and China's silence, both publicly and privately, since there have been no private communications with the South Koreans, has strongly reaffirmed the U.S.-ROK relationship. Koreans grasp the importance of this for their own interests. And so that's been one of the costs that I think China has paid for its equivocation for worse.

MS. SMITH: Just sort of coming out of both Kathy's suggestions and Jonathan's comments is, you know, we've always dealt with North Korea in the box of North Korea. And I think what we're all kind of talking about here is that we're now talking about a regional security environment that has drastically shifted. So not just that North Korea is acquiring this capability, but the bilaterals of the channel of dialogue and the ways in which there's defense cooperation, those are also shifting. So whether it's China and South Korea, whether it's Japan and South Korea, whether it's China and Japan, all these bilaterals are shifting in ways that I think we ought to recognize. So that geo strategic shift that we all reference for Asia of course is ongoing. We can see the impacts specifically on the management of the North Korea problem I think in ways that we didn't three, four, eight years ago.

MR. BUSH: Thank you. We now have a little over half an hour for questions. I will call on people. Once I call on you wait for the microphone and identify yourself and identify to whom you're

posing your question if that's the case. And please keep your questions short.

Chris Nelson, I saw you first.

MR. NELSON: Thanks so much. Chris Nelson, Nelson Report. Great conversation. My question is for everybody, but I wanted to -- see I'm glad Jonathan used the Groundhog Day metaphor because we all do that, but I'm really glad Kathy reminded us to explain that to not just the Asia side. And I would suggest actually it's Buddhist, it's about reincarnation. The point of Groundhog Day was to keep going over and over and over your same stupid mistakes until oh, maybe if I change this or I change that I'll get the girl. At the end of the movie he did get the girl.

So, the relevance to North Korea, what's the girl there. You know, I think we've convinced ourselves that it's not going to be denuclearization under the Kim regime. So if the Groundhog Day is an apt metaphor then we have to keep trying something, you know. Steve Bosworth, bless his heart, said we don't know if we don't keep trying. What is the girl? Are we talking Leap Day? People tell me that actually Obama is considering trying to -- you know, what are we talking about as the prize in getting North Korea back to the table? What is realistic to be talking about?

MR. POLLACK: I mean, Chris, I do want to say actually skip the Buddhist metaphor, it's biblical. And you recall in the movie that Bill Murray gets a little better each day and ultimately he gets to his reward. I don't know, I think I'm reminded of Carl Sandburg's admonition that blessed are those who expect nothing for they shall not be disappointed. (Laughter) I don't think --

SPEAKER: That's a very uplifting comment.

MR. POLLACK: Yeah, I know, I know. I don't think that there are maximal expectations here. I would say if anyone has come close to defining a long-term objective it probably has been China. The Chinese have in essence said that what they seek is a normal North Korea. Now that may be a bridge too far. They want a normal relationship with North Korea. They want a North Korea that is not invested in this profoundly adversarial nationalism that has shaped this regime from its very origins and has persisted. Let's remember that China -- I've often said this, but I'll repeat it again -- China's record of convincing, somehow cajoling, convincing, persuading North Korea to go about its life differently is a record that is unblemished by success over decades. That hasn't stopped the Chinese from trying

because I think that there is still an underlying belief in serious circles in Beijing that at the end of the day the arrangement is simply not sustainable. I mean at present, for example, the South Korean economy is roughly 35 times the size of the North Korean economy. Think about it. Will North Korea be content when it's 40 times, 50 times, 60 times? I mean there's a sense at which this is kind of like the Stein Rule, you know, when something doesn't work, you know, ultimately it has to end. But how you get there -- again I think the Chinese -- predominant judgment somehow is that at the end of the day there will be some kind of an evolution or needs to be some kind of an evolution to a more normal North Korea. Now the calculation elsewhere may be different even though I think that for all of us it would be devoutly to be wished, it's just that the evidence runs so contrary to that. And that's what's so troubling. A belief that this is not going to have a happy ending. We just don't know when and how that ending occurs. So I think for right now it's one of just trying to minimize risk, control the possible risks, retain options in case things go from bad to worse, but try by whatever means to impart to young Kim that there is a relationship between his behavior and the kind of relationship that will be possible vis a vis the outside world if indeed he seeks that kind of a normal relationship with the outside world, which I think is open to question.

MR. BUSH: Other comments?

MS. SMITH: Just a quick comment. Chris, I think it's interesting that if you're sitting inside Washington and listening to our debate -- I'm not talking about Tokyo's debate now, I'm just talking about our debate, I think the girl has changed. You know, I think it used to be that we were focused on Pyongyang nonproliferation, then containment, deterrents, and those were the focal points. I think now it's changing Chinese behavior. I think we've gotten very fixated, not necessarily for good reasons, on how do we get Beijing to manage the problem differently. And so the Groundhog Day metaphor may also include a little bit of who and how are we trying to change things. I think we may be coming back, and I'm very interested to hear from others in the room who think about North Korea more specifically, but I think we may be coming back to defining that vision for the Korean Peninsula differently.

Clearly President Park has begun to introduce the unification model, vision, right. The Human Rights Commission report began to raise consciousness a little bit about it's not just a neat denuclearized North that we want, it is a North that fundamentally is a different kind of society. So I think

you're starting to hear -- at least I'm hearing glimmers in the American conversation that we don't use the regime change word very often as a policy goal, and I'm not necessarily saying that that's the only way that we envision the future. But I think the U.S. is beginning to have a different kind of conversation about what the long-term goal is, and it's no longer simply denuclearization because there's a frustration that we haven't been able to affect that calculus in the North.

But again, many girls in the room.

MS. MOON: Can I just add, I'm a graduate of a women's college, I taught at a women's college. I'd like to say what's the woman, not the girl.

MS. SMITH: Oh, there you go.

MR. NELSON: We're speaking of (inaudible).

MS. MOON: Yes, yes. You take it so personally, Chris. I think for the United States, you know, what is the end goal, what is the goal that we're after, and as Sheila is saying it may be changing, but I think we need to think both small and big. Small in terms of incremental because North Korea, no matter how much we might it want it be a "normal state" it's going to take a long, long, long time to get there. Two, what does a "normal state" mean from where it is now? We need to think about that. It is not going to go from what it is now to what we consider to be a normal state anytime soon as I mentioned, but can we think out, map out what are the stages of trying to help North Korea, and again help is the wrong word probably, but induce or entice North Korea toward normalized statehood, et cetera. And there I think we need to think about the U.S.'s role, but mostly the U.S.'s will. I just recently was writing about U.S.-Vietnam relations in normalizing and pre normalizing. The U.S. had business interests, it had different interest groups, and Congressional interests including former veterans of the Vietnam War, John McCain being one of them, Hagel, Kerry, these were all key Congressional players, actors on a national level who backed not only normalization, but pre normalization reconciliation. And they helped in Congress to pass certain acts or bills that enabled the U.S. to grant Vietnam a privileged trade status prior to normalization. The problem is we don't have, in my view, genuine will either in the U.S. government or in the larger American society to bring North Korea into the pack. And I think until and unless we have that, we have to have that desire. You're assuming that Bill Murray -- we know Bill

Murray had a desire to get Andie MacDowell, the girl, the woman -- we as the U.S., if we're Bill Murray doing the same thing every day, trying to reach out, we don't have the desire to get North Korea.

MR. BUSH: Go to the woman in the very back and then Gil Rozman, and then I'll go over here.

MS. DOCKINS: Good morning. Thank you for doing this. Pam Dockins, State Department Correspondent, Voice of America. Two quick questions. First of all, for Jonathan, is China in essence stonewalling when it comes to any strong response in the UN Security Council?

And for Kathy, is it time for the United States to consider unilateral action?

MR. POLLACK: Very, very quickly, you know, my understanding is that China has not provided any detailed comments on draft resolutions in the UNSC process. To some extent that may be stalling for time. It's clear the Chinese know there will be a fourth resolution, a sanctions resolution. They've warned the North Koreans that that would be forthcoming if their behavior warranted it. And you could argue that there's a negotiation there. My point is the concern would be if the ultimate content -- in other words what China is ultimately prepared to agree to- is a very diluted version, that's going to be a real sense that nothing really has changed. Now that said, under the cover of a sanctions resolution states, including the United States, but also including China, can take unilateral actions that reflect their judgment about their own interests and how to proceed. China could be a very, very key variable there that we don't know. So they haven't disclosed yet. And again in a way I'm not troubled by that. The fact that there's nothing public about it is probably just as well because we're still in a negotiating process, but it cannot drag out indefinitely. It has to be resolved before too long.

One other speculation, and I would claim this idea as my own but it's not, it comes from Choe Sang Hun and the *New York Times*, and a conversation email message we had yesterday, maybe he thought that the reason North Korea is advocating the roll out now of the missile test is that we're going to get a two-fer. You know, if there are going to be resolutions against North Korea for its nuclear test, why not just combine them both. What the hell, get it over and done with and do a two for the price of one. We'll see.

MS. MOON: And I'm so glad to see you here, but could you clarify what you mean by is it

time for U.S. unilateral action? What kind of action?

MS. DOCKINS: Punitive action against North Korea for the January 6 test and possibly also this upcoming test.

MS. MOON: Well, the U.S. has already embarked on this. Congress, the Senate have voted and there's no uncertainty that -- or it is certain -- I'll put it in the positive -- that U.S. sanctions will be tightened, strengthened, but as far as if anyone's thinking about unilateral military action, no. I believe that is not in order and that it -- of course the U.S. government might say everything is on the table, and obviously governments need to do that, but I don't think we're there. And that would create -- everything we're trying to do to get people behind our leadership I think a unilateral military action would basically, you know, dissolve that and then we'd be left with the mess. And we don't want to be left with a North Korean mess pretty much to clean up on our own, and we can't do it on our own. But the sanctions regime, it will be tightened. The question is how do you target it and how do you enforce it in a targeted way because we know there will be leaks, right, even if we get other countries to agree to sanctions, but which are the ones that will be most important to block. And of course the ones that would provide material for continued -- or input sources for the nuclear program. That should of course be target number one. But I do think we should think really creatively about who in North Korea -- I don't mean common people needing, you know, to eat to stay alive, but who in North Korea might feel this. And I look at the new rich in North Korea as a target group that we should do more researchon because they're not as loyal to the regime and the regime is a little skeptical of them, but the regime needs them for the other side of *Byungjin*, which is the economic reform and prosperity.

MR. POLLACK: My sense, if I could intervene, is that the financial sanctions that we imposed on Iran probably provide a point of reference for both the Executive Branch and for the Congress. Moreover, with the financial sanctions the administration has the option of ensuring that they are done in both a primary way, sort of U.S. only, but also a secondary way, and forcing financial institutions in other countries, including China, to make a choice between dealing with North Korea and dealing with the United States.

MR. BUSH: Other comments? Gil Rozman.

MR. ROZMAN: I'm the editor of the ASEAN Forum and this is an issue of great interest for me for the last 15 years or so. And I think particularly Kathy's comment about Russia is missing a crucial point. We are on the verge of a new Cold War. Russia thinks that's the case around the world and they want to use North Korea to help shape the outcome of that in Asia and Northeast Asia as elsewhere. And I think they believe China is on board with that and they're very pleased with the way China and the U.S. are split on this. And it seems to me that increasingly when we see that China is thinking of tradeoffs, they don't like what's being done in the South China Sea by the United States.

So my question is, if this is really the beginning of a Cold War with China and Russia lining up with North Korea in order to use it as a tool for altering the regional security system, what is the appropriate strategy apart from strengthening ties with our two allies?

MS. SMITH: I didn't make the comment, so I'll let Kathy talk about Russia. But I think there is a little nervousness in the region that Chinese behavior is not simply because Chinese interests are affected or because of the instrumentalities it brings to bear are different than the ones we would like to bring to bear. It is that the North Korea issue has now become quid pro quo, or at least a reaction, the way the Chinese are reacting to North Korea and our request for greater assistance on that is now becoming hostage to our behavior in the South China Sea. In other words it's really tied to a U.S.-PRC relationship as opposed to what we had tried to tie it to which was a nonproliferation regime and a development of a strong nonproliferation regime, which Beijing has deep interest in.

I think Richard's comment about the comparison between the Iran sanctioning regime and the North Korean one is an important one. You know, North Korea already has capabilities, whatever those capabilities may be. Iran did not yet. But the Iran regime was much more intrusive and the instrumentalities that we brought to bear had much broader consensus across the board. And that China is not willing to do what many would like it to do I think is an important indicator, but it's not just about the proliferation on the Peninsula. I think it's largely about the U.S.-PRC.

I don't know, Gil. You have a better read on the Russians than I do, but I'm not sure that Putin's Russia is cozying up completely to -- I'm not sure that their interests are the same in East Asia frankly. And especially from Japan's point of view, they would really like to be able to make sure that

they're not the same. And so there's a bilateral aspiration in there as well, but again, Kathy, I think the question on Russia was directed at you.

MR. POLLACK: Gil, I don't know if I could see -- I mean from the North Korean frame of reference, sure, they would love to have a new Cold War alignment, but that's a bridge too far for North Korea. I mean they are simply not as nearly as consequential in that context. If I might quote from the Russian Ministry of Foreign Affairs today, this is reactions to the announcement of the satellite launch, that North Korea is committing yet another violation of the UN Security Council requirements. North Korea shows provocative disregard for commonly accepted norms of international law. We call on North Korea to seriously think about the likely consequences of its frank confrontation with the international community to realistically evaluate the costs of such short sighted steps.

Now, again, Russia may have a bigger investment in nonproliferation of all forms, that is an area where the United States collaborates quite actively with Russia, but here again I think that the test is in part, you know, the Chinese often accuse the United States, saying all your alliances are artifacts of the Cold War, the Cold War styles of thinking. Many in China are just as prone to that kind of thinking as anybody else. And if we both want to proceed down that path, well so be it, but there has got to be a much more creative way if we, the Chinese, and others are going to build a sustainable international order for this very, very messy early 21st century. I don't think replicating the past when in fact whatever it may be, whatever this evolution of a relationship may be between United States and China and Russia, it's not the Cold War, it's something very, very different from the Cold War for all the obvious reasons. Because of globalization, communication, the kinds of interactions that we have. It's kind of a crutch almost. I'm not directing this at Gil, but to sort of believe that we're just going back to what we had before, highly adversarial relations, I don't buy it unless we really, really screw it up. And "we" I mean in a collective sense.

MS MOON: I echo Jonathan's points. I just want to add directly in response, I'm aware of Russia and China playing with each other and trying to look pals-y vis-a-vis the United States, but no means is this a tight partnership. It's not a marriage, let alone even a courtship. It's a convenience. It's like an escort system, you know. You need to go somewhere, you show up, you borrow each other. I do

not believe -- I mean I'm so lucky that I have my director who is so calm and genteel and so, you know, I can add the punches and we even each other out. And Jonathan and I, usually in private, we have a hoot laughing and talking about all sorts of crazy things. And Sheila knows me too well.

At any rate, Russia and China, no, we are not headed toward a second Cold War. And I think it is absurd for us to even entertain that possibility based on reality, not just that history might repeat itself. Russia and China realistically cannot prosper as a close knit alliance vis-a-vis the United States, Japan, Europe, South Korea, et cetera. Economically they cannot. Russia is already suffering big because China's need for its oil has been curtailed significantly. And China needs all of our markets, right. Russia is not China's dominant economic trade partner in consumer goods, manufacturers. China needs the rest of us and we should keep that in mind and remind China, okay. And also Russia and China compete with each other for influence, but also in terms of territorial influence Central Asia is a direct area where they are in competition. North Korea is not a player in my view as you're saying. It's a pain in the neck for both of them. And what North Korea does is -- we have to keep in mind, you know, small actors have a big role in the way that big countries or big powers can shape their interests and actions. North Korea plays Russia and China off each other regularly. The North Koreans know that the Chinese have not delivered on the promises that they have made in the last two, three years of cozying up together. And one of the drivers in North Korea to cozy up to Russia is to reduce the dependence on China, which the North Koreans are very, very aware of. So I don't think we're headed in that direction and so I don't worry about it. I don't worry about it.

MR. BUSH: The gentleman on the aisle over there.

MR. WEI: I'm Chun Wei from China Daily. I have a question for Jonathan, or if other panelists want to jump in as well. I don't think we are in for a Cold War, but I just want to move a little further from the previous question. Jonathan, do you think this sort of ratcheting up of the U.S. rhetoric of treating China as an adversary or potential adversary, as Ash Carter of yesterday said in his 2017, you know, budget preview, is sort of providing less incentive for China to do more than it should?

The other you already talked about. You know, I really question I mean whether sanctions will work. I mean why anyone would think sanctions will work I mean this time. I mean North

Korea just announced today that it's going to test satellite despite U.S. threat of more sanctions. So that means Kim is not afraid of more sanctions. So why shouldn't we try as a sort of a new path say assuring the North Koreans that U.S. will not pursue regime change like to remove Muammar Gaddafi after Gaddafi gave up its nukes?

Thank you.

MR. POLLACK: Chun Wei, as always you pose very, very good questions. Let me give you a very quick response. The first is that Ash Carter's statement, I think some of the headlines are misleading about that. I mean he is after all the Secretary of Defense. He has those who play a counterpart role in China. Both countries are undertaking modernization strategies that in terms of pure capabilities may require an external justification to make more compelling the bureaucratic arguments that are made internally in both systems. And there is an interaction effect of that.

I think that's an easy temptation for the bureaucracies. I'm not sure that either country over the longer run will benefit other than that there will be a lot more money spent. And I hope that -- the presumption is that will lead to an increased sense of security. I'm not so sure. But in any event, Ash Carter is far too careful and prudent a person to fall prey to quick thinking that we're just going to use this to justify everything from soup to nuts. In fact, if anything -- and when I looked at what he talked about it was much more -- a lot of it reinforcements in Europe, although there were some aspects of that that do obviously involve China. It's a big issue worthy of a longer conversation.

On the effectiveness of sanctions, I don't think anyone in the United States government believes that the mere imposition of heightened sanctions will in some measure automatically get North Korea to alter its behavior, but it is an intent to raise the costs to North Korea for the actions that it undertakes. The United States has repeatedly in the past, in periods of time when there has been active negotiation, given assurances about no regime change, other kinds of assurances. Either the North Koreans choose not to remember or it fell on deaf ears, but this has been true, I might add, through administrations republican and democratic, of all shapes and sizes. There is a long history here. And I would say that if we have failed to prevent North Korea's development of nuclear missile technology it's a collective failure in which everyone has contributed, including China. So I don't think we're going to

benefit if we make it too much of a blame game, nor can we reinvent past history. We have to say what do we do now as we assess what the risks and the dangers might be, recognizing that it's a very, very difficult system to penetrate, to understand what is really driving their decision making. Because I think, frankly, a lot of that is driven internally. It's not a function of perceptions necessarily, a threat. I mean what does North Korea fear? North Korea fears information, it fears seepage of technologies, of all kinds of things that undermine this ability of the leadership of North Korea to control the way their citizens see the world, their understanding of the past, their prospects for the future. That's an issue well beyond this or that weapons system. It goes to the core of whether North Korea over the longer-term can remain in not so splendid isolation from the world as a whole.

MR. BUSH: On the effectiveness of sanctions, it's worth keeping three words in mind, Banco Delta Asia.

The gentleman on the aisle has had his hand up for a long time; in the black hat. And that will be our last question.

MR. HERWITZ: Thank you very much for a great presentation. I would like to ask the entire panel --

MR. BUSH: Would you identify yourself please?

MR. HOROWITZ: I'm Elliot Horowitz. I'm a former State Department Official, World Bank contractor, and intelligence community person.

MR. BUSH: Thank you.

MR. HOROWITZ: North Korea joins a list of countries that in the past have proliferated nuclear technology and/or weapons. And I believe it was here at Brookings about two months ago that I heard that several countries in the Middle East, including Turkey and Saudi Arabia and Egypt, are seeking nuclear technology, nuclear weapons. Can you please comment on the potential for North Korea to proliferate nuclear technology and/or weapons?

Thank you very much.

MR. POLLACK: The immediate case, it's not even a potential, it's history. Under North Korean sponsorship and design the Syrians were building a covert nuclear reactor. It was taken out by

Israel in 2007 if I remember correctly. It was a carbon copy of North Korea's one functioning nuclear reactor. We have a number of photographs of North Korean personnel at this site. So this isn't a question of what might happen, it's a question of what did happen. Now that didn't mean that that was an easy path to Syria acquiring a nuclear weapons capability, but it was one indication and a troubling one, deeply, deeply troubling one, of once you have a competence in the scientific workforce, knowledge and understanding of designs and so forth, and a determination in an outside power to go down this path, North Korea can be a player in that regard. And one of the risk factors -- I acknowledged this openly -- if the screw is really tightened on North Korea, under various circumstances this may yet again be an option for them. And that's one of the things that all of us should be deeply, deeply worried about.

SPEAKER: (Off mic).

MR. POLLACK: Kahn -- well, Kahn -- if that's (inaudible) he's one of a kind. Yeah, he was too generous. (Laughter) Kahn was a marketeer par excellence. He did a lot for his own personal advantage than necessarily representing the State of Pakistan or anything else. Here, though, I would see an integral link between -- if there were further activities of the sort -- between the activities of component units in North Korea and the interests of the North Korean regime. But I am sure that the intelligence community pays very, very careful heed to this right now. They should.

MR. BUSH: Obviously we could go on for quite some time because I see from the number of hands there is a lot of interest, but our stated time has come to an end. So thank you all for your great participation, and please join me in thanking our three panelists. (Applause)

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