

# THE BROOKINGS INSTITUTION

## Seoul-Washington Forum May 14-15, 2007

Panel II – Six-Party Talks: Seeking a Nuclear-Free Korea

Co-hosted by  
The Brookings Institution  
and  
The Sejong Institute

Sponsored by The Korea Foundation

*Seoul Plaza Hotel  
Seoul, Republic of Korea*

[Transcript produced from a tape recording]

## **Panel II – Six-Party Talks: Seeking a Nuclear-Free Korea**

Chair: Jack PRITCHARD  
President, Korea Economic Institute  
Former Ambassador and Special Envoy for Negotiations with the DPRK  
and Representative to KEDO, U.S. Department of State

Presenters: Robert EINHORN  
Senior Adviser, International Security Program,  
Center for Strategic and International Studies  
Former U.S. Assistant Secretary of State for Nonproliferation,  
U.S. Department of States

PAIK Haksoon  
Senior Fellow, The Sejong Institute  
Executive Director, Seoul-Washington Forum

Discussants: CHUNG Chong-Wook  
Visiting Professor, Graduate School of International Studies,  
Seoul National University  
Former Ambassador of the Republic of Korea to the People's Republic of China

Robert CARLIN  
Visiting Fellow, Center for International Security and Cooperation,  
Stanford University  
Former Senior Policy Advisor, Korean Peninsula Energy Development  
Organization

## PROCEEDINGS

JACK PRITCHARD: Ladies and gentlemen. Welcome to panel two. We had a very enjoyable lunch with Deputy Foreign Minister Shim Yoon-joe as our speaker.

And we are going to pick up this afternoon with our topic which is the “Six-Party Talks: Seeking a nuclear-free Korea.” We have today two distinguished presenters and two equally distinguished discussants.

I think none of the people up here really require an introduction. But I will do that. But before I do, let me join with others this morning and expressing my appreciation for the Seoul Forum, the Sejong Institute and the Brookings Institution for putting together this very fine conference. We cannot say enough about the Korea Foundation and support they provided to make this possible.

And clearly, we need to and I personally need to thank Chairman Lim Dong-won. My first encounter with him was more than 10 years ago. And he has become a mentor, a friend and I am delighted that he is now the chairman and you can see by his active participation and the success and the quality of this conference and we appreciate that very much.

One of the things that Deputy Minister Shim mentioned at lunch was the American concept of the revolving door where members of one administration depart, go into the think tank world, rejuvenate themselves and come back.

But what it does is it also allows us to when we come and many of us are here in that capacity, another word, a nice word for that is “has-beens”. [laughter] We have been previously members of an administration and some of us someday may return to the administration. But it allows us to maintain and to renew friendships over a number of years.

And I think each of our panelists here today will attest to the long-term viability of the friendship and what that has done for the U.S.-Korea relationship.

What I would like to do is to just set the ground rules a little bit before we get started. I will ask each of our presenters to target 20 to 25 minutes, and if they go a little bit longer that's quite fine. But not much longer than that, because each of our discussants will be given an opportunity to make some comments. And at the end of that, I will open the floor up for discussion, your comments and then we will try to wrap up in a timely fashion according to the schedule.

And again, as it gets time for your participation which will make this all the more interesting, please make sure that you identify yourself and ask a relatively brief question and identify if appropriate the person that you would like to answer that question.

So let me begin by giving a brief, a very brief introduction of our presenters. On my left is Bob Einhorn. In his previous life in this revolving door was the Assistant Secretary for Non-proliferation at the Department of State during the last portion of the Clinton administration. But he has a much longer history, some 29 years or so of government service in many different capacities. He is currently a Senior Adviser at CSIS in their international security program.

He will make the first presentation and he will be followed by Paik Haksoon that you all know very well now. He is the executive director of the Seoul-Washington Forum. He is a senior fellow at the Sejong Institute where he is a specialist in North Korea, inter-Korean relations, and U.S.-North Korean relations.

So we have two very distinguished panelists that are going to kick off this second session for us.

And then we have, as I mentioned two distinguished discussants. First, I will call on Ambassador Chung Chong-wook who is currently a visiting professor at the Graduate School of International Studies at Seoul National University, who is also formerly the ROK Ambassador to China.

And when he has concluded, I will ask Bob Carlin on my far right, who is currently a visiting scholar at Stanford University. Formerly a Senior Policy Adviser at KEDO and a long career as an intelligence analyst focused for many years on North Korea. As I read his bio, I was looking for the part there where he said he was a senior adviser to the Special Envoy for the negotiations on North Korea. But he omitted that. But that was me so I don't know why you left that out in your bio Bob. [laughter]

Nonetheless, let me turn first to Assistant Secretary Bob Einhorn to lead us off. And Bob the floor is yours.

ROBERT EINHORN: Jack, thank you very much and I join you in thanking the Sejong Institute, Brookings Institution and the Korea Foundation for organizing this conference and inviting me to attend.

The critiques of the February 13th six-party agreement often point out that the deal only freezes North Korea's nuclear weapons program and leaves negotiations over the dismantlement of the program to the future.

Critiques also say that unlike in 1994 when the North Korean program was frozen at one or two bombs worth of plutonium, the program would now be frozen after North Korea had produced enough plutonium for 6 to 12 nuclear weapons.

After it had conducted a partially successful nuclear test, and after it had flight-tested several missiles capable of delivering nuclear weapons. The February 13th agreement certainly has its flaws, any agreement that results from compromises with North Korea will have its flaws.

But the main virtue of the February 13th agreement is, far as I am concerned, is that it provides a relatively inexpensive way of testing North Korea's intentions for 50,000 tons of heavy fuel oil. We get to find out if North Korea will shut down Yongbyon and grant the IAEA adequate monitoring rights.

For 950,000 additional tons of heavy fuel oil, we get to learn whether North Korea will make a credible declaration of its nuclear programs and agreed to effective means of disabling those nuclear facilities.

In terms of negotiations with North Koreans, that's a bargain. The drawn-out BDA affair reminds us, if we needed being reminded, that nothing can be taken for granted in dealing with North Koreans. Progress will often be followed by setbacks. Still, I believe the conditions for making progress now more favorable than they have been for several years.

One reason for cautious optimism is that China is truly disturbed by North Korea's provocative behaviors especially its missile test and its nuclear test. And China now seems more willing than it has been before to exert pressure on Pyongyang.

A related reason is that North Koreans are now realizing perhaps for the first time, that they may pay a high price for pursuing nuclear weapons. With U.S. military attack not a credible option, and China and South Korea reluctant to squeeze North Korea too hard, Kim Jong-il has believed that the cause of defining the international community would be manageable.

But that may have changed. China's support for UN Security Council Resolution 1718, South Korea's linkage of assistance to North Korea to progress on denuclearization, and the unexpected impact of U.S. financial measures in blocking North Korea's access to the international financial system have all gotten the personal attention of North Korea's leaders.

A third reason for cautious optimism is the major shift we have seen in the Bush administration's approach to North Korea. A shift that gives Pyongyang much stronger and positive incentives for giving up their nuclear program.

The elements of the shift include a greater willingness to work out key compromises with the DPRK bilaterally, to join with the other parties to offer early incentives to North Korea, and to begin the denuclearization process with the freeze that had earlier been deemed unacceptable. And most importantly, the administration has made it increasingly clear that it is willing to normalize relations with the regime currently in power in Pyongyang.

Despite the balance of power in Washington having shifted toward the pragmatists, there are still some in the administration who are very reluctant to make a deal with North Korea. And reportedly, President Bush reassured Japanese Prime Minister Abe in their

recent summit meeting, that he is prepared to return to a much harder line if North Korea does not live up to its obligations.

But at least for the time being, President Bush seems willing to give Secretary Rice and Ambassador Chris Hill enough leeway to test North Korean intentions and to find out whether a satisfactory deal is possible.

So what are the prospects that the February 13th agreement will be the first step in the successful denuclearization of North Korea? The answer mostly depends as it always really has, on whether the DPRK is really prepared to give up nuclear weapons entirely. And the track record on this goal has not been very encouraging.

Nuclear weapons are the crowned jewels of the Kim dynasty. They play a central role in the regime's survival strategy. The Bush administration has urged North Korea to make a strategic choice, a strategic decision, in favor of the benefits of the denuclearization over the costs of continuing the nuclear program.

But so far, North Korea's leaders have resisted making such a choice. Indeed, they are probably hoping that they can have their cake and eat it too. Their game plan may make to freeze their program, and pledge not to export nuclear technology in exchange for energy and other assistances, removal of sanctions, security assurances, normalization with the U.S. and Japan, and international acquiescence in their retaining a limited nuclear arsenal.

Even if the North Koreans are realistic enough to know that this outcome is not achievable, they are not going to make the same kind of strategic decision that Muammar Qaddafi made, which was to get rid of Lybia's entire nuclear program in the matter of months.

The North Korean decision, if it has made it all, will be an attentive one. Not a single final decision. They would decide to start down the path toward denuclearization. But they want the road to be very long so as to preserve their deterrent capability for as long as possible. They would also want to reevaluate their decision at various stages and give themselves an opportunity to opt-out if they determine that full denuclearization was not in their national interest.

So the challenge for North Korea's five partners in the Six-Party Talks is a very difficult one. Not only must they shape North Korea's calculation of costs and benefits, so that North Korea sees value in moving down the path of denuclearization. They must also structure any deal so that at every stage, North Korea sees continuing incentives to stay on that path and serious penalties if they leave that path.

Of course, we don't know whether North Korea will ultimately give up its nuclear weapons. It is very possible that Kim Jong-il himself doesn't know at this stage the answer to that question.

The best we can do is to test North Korea's intentions, its declared willingness to give up the nuclear option. And we need to test that willingness by pursuing an approach to the Six-Party Talks that is balanced and reasonable and that will leave no doubt in the international community as to who would be responsible for the failure of the negotiations.

A key element of such inner approach involves the issue of phasing. The Six-parties have agreed to proceed in a phased manner and to follow the principle of actions-for-actions. One way to do this would be to reach an agreement on one phase at a time. And to move toward the denuclearization in a series of separately negotiated phases.

A preferable approach in my view would be to negotiate a single road map, a road map of carefully sequenced steps leading to complete denuclearization. This approach, this latter approach, would make the initial negotiations more complicated and difficult. I recognized that. But it would give the parties greater confidence in whether and when their concerns and their objectives would be addressed.

A second key element is duration of the denuclearization process. The U.S. will want the shortest possible duration. Ideally, I am sure the Bush administration would like to see the job done by November 2008. North Korea presumably would like to see the process continue for decade or more. A reasonable compromise in my view might be a period somewhere between four and eight years.

A third key element involves agreeing on a sequence of actions-for-actions. This question of sequencing will probably be the hardest one to negotiate. The U.S. will want to address the most dangerous items as quickly and irreversibly as possible. For example, it will want to take oil-fabricated nuclear weapons, it will want to acquire, dismantle them, and get them out of North Korea at the earliest possible day.

And just as predictably, North Korea will want to dispose of their most treasured nuclear assets namely nuclear weapons and physical sample material, only at the very end of the process.

To reach a compromise, creative intermediate steps will have to be devised. For example, securing separate plutonium and enrichment-related equipment in a sealed storage facilities under IAEA supervision pending removal from the country at a later day.

A fourth key element involves pursuing several processes in parallel. Denuclearization of North Korea can't be achieved in isolation. Energy and other assistance measures will have to run in parallel to give North Korea incentives to continue with disarmament.

But economic steps alone will not be enough. Progress toward normalization with the U.S. and Japan and toward replacing the armistice with permanent peace arrangements will be just as important in motivating the North Koreans.

Denuclearization must be completed before the final steps of normalization in peacemaking can take place. It is hard to imagine any U.S. administration normalize relations and making peace with North Korea still in possession of nuclear weapons.

But some earlier interim steps, such as establishing liaison offices and holding periodic foreign ministers meetings, could go a long way toward building the confidence necessary to sustain the disarmament process.

A fifth key element is making clear to Pyongyang that it will pay a high price for reneging on its commitments. That means keeping Security Council Resolutions 1718 in place so as to serve as a possible foundation for further penalties and measures if so warranted.

It also means putting North Koreans unnoticed, the closing BDA does not immunize them from new penalties if they continue with their illicit activities. It also means to leaking that future assistance to North Korea's performance and meeting its obligations. And this point is especially relevant towards South Korea and China.

Because time is short, I will touch briefly on a few other ideas for how best to approach the Six-Party Talks, but my paper elaborates on these ideas in greater detail. The parties should have early informal discussions with North Koreans on a declaration that they are obliged to submit regarding their nuclear programs.

An inadequate declaration could be a major setback. It could derail denuclearization process right at the beginning. They have to be, the North Koreans have to be encouraged to get it right. And I think having an informal process before the formal submission of the declaration could be helpful. The U.S. and the other parties might ask North Koreans to provide drafts of their declarations. So that there can be exchanges and iterations that could hopefully make the formal submission fully adequate.

The parties should borrow from the U.S.-Soviet Cold War arms control experience by setting up a six-country implementation commission that would meet regularly to address implementation problems that will ineluctably arise in any road map. This was very, this kind of a bilateral implementation mechanism could be very useful between

[TAPE CHANGE]

in implementing a wide range of arms control measures. The parties should also borrow from the U.S.-Russian Post-Cold War experience with Nunn-Lugar cooperative threat reduction programs. Without cooperative threat reduction assistance to help dismantle the DPRK's nuclear programs, it is hard to imagine how the North Koreans could get the job done.

While North Korea's nuclear programs deserve the highest priority, its missile programs should also be addressed. We shouldn't overload circuits and deal with too many issues concurrently. But we can afford to ignore the missile threat until



denuclearization is completed. The Clinton administration made significant progress on a missile issue before leaving office. And I believe these efforts should be resumed.

Finally, in anticipation of North Korea's continuing interest in light-water reactors, we should consider whether the LWRs in the North make sense in terms of a Peninsula-wide energy plan. And if they do make sense, then perhaps the light-water reactors should be permitted in the North, but only the reactors are owned and operated jointly by the North and the South Korea.

I want to conclude now by saying at the very best, the road ahead in the Six-Party Talks would be long, frustrating, and politically uncomfortable. And the outcome is likely to remain uncertain until the very end. Reaching compromise solutions with the negotiating partner like North Korea is not a very appealing prospect. But compare to using military force, or hoping for regime collapse, it is the best of the available options.

Thank you.

MR. PRITCHARD: Bob, thanks very much. Now the good news and the bad news about Bob's presentation. One is that it was very good and the bad news is that I have already written down five questions that I want to ask. And that means you are going to have to wrestle with me to get the microphone. But before go to there, let me turn now to our presenter.

PAIK HAKSOON: Thank you, Jack. An organizer like me is not supposed to play a triple or a quadruple role including the presentation like this. But I had to fill in the vacancy due to the last moment cancellation of someone who had planned to participate. But I am very proud to play this role. And I hope I can make some contributions regarding this subject matter.

What is the current state of affairs regarding the North Korean nuclear talks? The resolution of the North Korean nuclear problem is posed to gather momentum as the Banco Delta Asia issue moves forward the final threshold.

As many as 52 North Korean accounts at the BDA had been consolidated into one in order to be transferred to other banks. First, presumably to a relay bank, hopefully one in the United States as North Korea claims and ask the actual demands and other relay banks in third countries.

But anyway, what we don't know at the moment is when exactly the transfer of North Korean funds will take place and when the Six-Party Talks will be resumed. What we do know however, is that North Korea would not come back to the Six-Party Talks until the BDA issue is solved to its satisfaction.

There are two reasons why implementing the initial actions agreement is so important. First, it can prevent North Korea from accumulating more Plutonium for weapons. And second, without implementing the very first actions-for-actions agreement,

there is practically no hope for the next step of agreement and its implementation to be followed by subsequent steps leading to the complete denuclearization of North Korea.

Then what are the assessments of the policies of the United States and North Korea towards North Korean nuclear problem? The most important yard stick for measuring the success or failures should be whether or not we have prevented North Korea from going nuclear. The fact to the matter is that not only did North Korea detonated nuclear devise successfully and declared that it physical proved itself to be a nuclear-weapons state, but it also continued to extract and accumulate Plutonium.

What are we responsible for the failure of preventing North Korea from going nuclear? That is from unfreezing and putting the Yongbyun nuclear facilities back in operation and ultimately from detonating a nuclear devise.

Basically, in my opinion, the answer is the Bush administration's policy pursued by the neo-conservatives and hard liners in power until the Republican Party's failure to win in the mid-term election last November.

South Korea detected that North Korea had made some purchases such as Aluminum tube and etc. And for years, South Korea and the United States had regular consultations to judge the possibility of North Korea's using them for weapons. But they could not find any hard evidence for this. Of course some of you, the participants in the morning session David Straub, have mentioned the importance of whether or not North Korea pursued the program itself regardless of the stages they were making. I agree with you.

But on October 2002, the U.S. government suddenly dispatched honorable James Kelly who is sitting over there, back then the Assistant Secretary of State for East Asian Pacific affairs as Presidential Envoy to North Korea, to discuss with North Korea about the alleged Uranium enrichment program.

The United States accused North Korea for pursuing a clandestine highly enriched Uranium program for the purpose of developing nuclear weapons, demanded its dismantlement and stopped delivering heavy fuel oil to North Korea.

North Korea reacted by declaring itself under no obligation to abide by with the framework, kicking out IAEA inspectors and inspecting cameras, and withdrawing from the Nuclear Non-proliferation Treaty (NPT).

All these means that the United States lost the foundation of its relationship with North Korea and removed mechanisms that controlled North Korea's nuclear activities. So we lost controlled mechanisms over North Korea's nuclear-related activities and policies.

It is noteworthy that when Assistant Secretary James Kelly paid a visit to Pyongyang, inter-Korean relations had already bounced back from the setback caused by President Bush's "axis of evil" speech and it was enjoying a full recovery.

Furthermore, Japanese Prime Minister Koizumi had visited Pyongyang and signed a joint declaration for improving North Korea-Japan relations two weeks before.

There is a suspicion that neo-conservatives and hard liners in Washington D.C. had intentionally driven the wedge between South Korea and North Korea and between Japan and North Korea.

Years elapsed and accusations rose as North Korea violated the agreed framework, the NPT and the IAEA safeguards etc, by secretly pursuing an HEU program. I am emphasizing "H" here; highly enriched. Not simply the enriched program but the "HEU program", which, as a matter of fact turned out to be excessive due to their politically motivated calculation to reverse the Clinton administration's engagement policy towards North Korea.

The failure of the policies of the neo-conservatives and hard liners in Washington D.C. in dealing with North Korea and the North Korean nuclear problem is due to their unrealistic or sometime erroneous assumptions along with other hidden political agendas.

First, the United States policy has critical flaws in its key assumptions, evaluations and predictions. The neo-conservatives and hard liners appear to have assumed that if the United States and the Six-Party Talks participants collectively pressure on North Korea, it would eventually give in and unilaterally abandon its nuclear ambition.

Furthermore, the Bush administration seems to have believed that the reason North Korea has not caved was because participant states in the Six-party process have not exerted sufficient pressure in quantity and in kind. That's quite a quick rationalization of their policy.

Second, the colorful expression of the "axis of evil" meant that North Korea was not a country to be treated as a partner for the diplomacy, but rather a target to remove for a regime change.

Third, what is more catastrophic in solving the North Korean nuclear problem was the United States' use of the North Korean nuclear and missile issues as excuses for securing a greater budget for missile defense in order to be prepared for the intensified rivalry with China in the coming years and decades.

The neo-conservative and hard liners in the Bush administration appeared to have exaggerated and protracted. I don't know whether it is intentional or not but protracted the threat posed by North Korean missiles and programs for the hidden agenda of expanding missile defense. It, in fact, victimized North Korea to a certain extent.

In an effort to victimize North Korea, the North Korea was villainized through the use of various denigrating terms such as “axis of evil,” “outpost of tyranny,” “outlaw state,” and “kleptocracy.” One of the most disparaging terms used for the North Korean leadership in this regard was “kleptocracy,” which was used by President Bush in August 2006 of last year. “Kleptocracy” is rule by thieves, a government that extends the personal wealth and political power of government officials, and a ruling class at the expense of the population.

The United Nations Security Council Resolution 1718 which prevented the provision of luxury goods to North Korea. In addition to nuclear technology and large-scale weapons, was an example of applying the concept of kleptocracy.

But North Korea's determination of a nuclear devise and the failure in Iraq and the Republicans party defeating the mid-term election last year, produced a dramatic shift in America's North Korea policy from pressure and sanction to dialogue and negotiations as Bob Einhorn had mentioned in his presentation already, provide an opportunity for a comprehensive give-and-take and elevating U.S.-North Korean bilateral talks to center stage in the nuclear negotiations.

We all remember that officials at the Six-Party Talks are the most important official in a mechanism for nuclear negotiations. But we had seen from November of last year or from late October of last year, the United States and North Korea met together in bilateral talks, and that was the centerpiece. Everything was decided between the two and later it was, sort of you know, proved all ratified by the Six-Party Talks in an official way.

And we all remember that President Bush has never ever acknowledged a bilateral form of negotiations between North Korea and the United States as acceptable.

Now, what is the assessment of North Korea's policy towards its own nuclear program and towards the United States? North Korea's policy as far as nuclear weapons and weapons programs are concerned, appears very offensive. But it is indeed defensive in character.

The armistice on the Korean Peninsula in which the United States and North Korea still at war, and have deepened their distrust and intensified their confrontation is fundamentally responsible for the repeated outbreak of the North Korean nuclear crisis.

When President Bush came to power, the neo-conservatives and hard liners in Washington D.C. launched a policy of regime change toward North Korea and North Korea responded with a nuclear weapons program and detonation of a nuclear device.

Thus, in order to completely dismantle the confrontation structure between North Korea and the United States, we need to transform the armistice into a peace regime and normalize their relationships as emphasized by many.

What characterizes North Korea's actions or behaviors in the second nuclear crisis is that North Korean leadership is absolutely resolved, in my opinion, not to be deceived again by the United States, and to protect its national interest based on the principle of simultaneous action between the two countries at each and every step.

North Korea's fear that if they are deceived by the United States again, what is the stick this time? It is not just energy or electricity. But the fate of the regime itself. Because the neo-conservatives and the hard liners in the Washington D.C. could attempt to change regimes in North Korea.

In the opinions of the North Korean leadership, in my opinion, what is a stake in the first nuclear crisis was the energy or the electricity or something like that. More technical things. But in the second nuclear crisis, because they believed that they were completely deceived in the first nuclear crisis, they are resolve not to be deceived again because they believe that what is the stake this time is the regime itself. So they would not allow regime change so-called by the United States.

What are the key problems and issues? There remain several salient problems and issues in denuclearizing North Korea. First, fundamentally, the structure dilemma of the North Korean nuclear problem has not changed since Jim Kelly's visit to North Korea on October 2002. The structure dilemma here means the situation where no country has any meaningful control mechanism over North Korea's nuclear activities or behavior, causing the dilemma of merely watching the continuous accumulation of the Plutonium or another nuclear test without any means to prevent it.

No doubt, the September joint statement and the February initial actions agreement combined to give us some hope for beginning a process of denuclearizing North Korea. But the initial actions agreement has not been implemented yet. Therefore, we are still in the structure dilemma of frustration of allowing North Korea to increase its Plutonium stock for weapons.

Second, it is noteworthy that there is asymmetry and demands and objectives between the United States and North Korea in implementing the September joint statement and the February initial actions agreement, in terms of what could be obtained and lost by the two countries even though both play a positive-sum game, in my opinion.

In another words, North Korea must begin the process of dismantling its nuclear and conventional weapons programs from the very start. In the eyes of the North Korean leadership, a process of losing its security assets.

While, the United States fundamentally do not lose what it has in such a fashion, for this reason, North Korea tends to be more defensive, less flexible, and more passive.

If we talk about the February 13 initial actions agreement, I think the President Bush has been credited a lot. Of course, Kim Jong-il should also be credited too. But North Korea is very defensive and it does not have much flexibility, and very passive.

So if we have to expect somebody, either North Korea or the United States to make a breakthrough, but unfortunately we cannot expect Kim Jong-il to make a breakthrough in his psychology and mentality. One time I said in public that President Bush should be credited for the February initial actions agreement for his leadership in making a strategic choice.

Third, the participants that contribute to the Six-Party Talks are planning a step-by-step approach or phased approach to complete the denuclearization in North Korea. The problem is that we have not even achieved the very first step yet and this causes serious doubts about North Korea's intention to accept denuclearization and about our ability to implement the initial actions agreement.

Fourth, North Korea and the United States strategically linked the BDA issue to the denuclearization issue for different reasons and interests. But this strategy proved to be self-binding and self-destructive in that denuclearization issue handled by negotiators at the State Department failed victim to the slow progress made in the BDA issue, controlled by the hard liners at the Treasury Department.

I had a chance to meet with Christopher Hill and Dan Glazer in early May in Washington D.C. and of course you all know both represent the State and the Treasury Department in the negotiation with North Korea. Of course, my interview was conducted in off-the-record, but definitely there is a difference in opinions. But at least I can say is that Christopher Hill was very confident in overcoming the last threshold of the problem in solving this BDA issue. So I was glad to hear that.

And lastly, there is a concern about the U.S.'s potential toleration of North Korea's possession of nuclear weapons. This is a big issue. I had a chance to talk with Bob Einhorn during the luncheon about this problem and maybe the understanding of this issue from the American side and also from the Korean side could be clarified or could be discussed later.

But I would say at least from the Korean side that we have serious concern about United State's toleration, eventual toleration of the North's nuclear possession.

Even though the sense of urgency after North Korea's successful nuclear test on October last year, that must have made the United States pay more attention to the importance of achieving a complete denuclearization of North Korea. So we had February 13th initial actions agreement.

Now, some policy recommendations from my side. First, resolve the BDA issue at the earliest possible time by applying a political, I repeated the word "political," a political approach by President Bush.

Second, forge and provide the conditions for North Korea to give up its nuclear weapons and nuclear ambitions since the nuclear problem will not be resolved unless North Korea gives up its nuclear ambition voluntarily. I repeated "voluntarily."

Third, disable the Yongbyon facilities as soon as possible unless North Korea reprocess and accumulate more Plutonium, bring back control mechanisms such as for example. Well of course we have to bring back much more strengthened and viable mechanisms but previous we had agreed framework, we had NPT, and we had IAEA safeguards as control mechanisms over North Korea's nuclear activities and nuclear policy.

Fourth, find ways of means to help President Bush and Chairman Kim Jong-il keep up their political will to implement the initial actions agreement and the joint statement.

Fifth, seek and prepare for summit talks with North Korea, making sure that North Korea will use the nuclear card only for negotiating purposes in order to obtain security assurances, diplomatic normalization, economic and energy cooperation from the United States and the international community.

Six, address the fundamental underlining structural issues that brought about North Korean nuclear crisis. That is the existence of armistice and the state of confrontation between North Korea and the United States in order to prevent any recurrence.

Seventh, begin the peace forum for establishing a peace regime on the Korean Peninsula as agreed on in the joint statement and the initial actions agreement. Also, in conjunction start promoting Northeast Asian multilateral security and cooperation.

And lastly, establish a Northeast Asian nuclear weapons free zone. That covers North Korea, South Korea, Japan, and Taiwan. Of course, we want to see a completed denuclearized zone in Northeast Asia in the long run, but at the moment North Korea, South Korea, Japan, and Taiwan. Since the nuclear weapons free zone are conceived as an incremental measures toward total nuclear disarmament, a Northeast Asian nuclear weapons free zone will eventually make the United States' nuclear umbrella over the region unnecessary, which in turn in my opinion will serve as a powerful catalyst for North Korea to give up its nuclear ambition.

Thank you very much.

MR. PRITCHARD: One point of clarification before I ask our discussants to take over, Haksoon on your point number five when you say prepare for summit meeting. The assumption is that you are talking about a ROK and North Korea summit meeting. But do you by chance mean other than that?

MR. PAIK: By preparing a summit talks of course I first mean the South-North summit talks and I think we have to have inter-Korean summit talks first and make a basis upon which we can build up other summit talks like North Korea and the United States if possible. Thank you.

MR. PRITCHARD: Thank you very much for that clarification and thank you for your presentation. Now I would like to invite him, Ambassador Chung and his role is the discussant to review these presentations.

CHUNG CHONG-WOOK: Thank you, Ambassador Pritchard. Let me begin by expressing my appreciation to the Brookings Institutions and the Sejong Institute for hosting this very important and timely forum.

I read the two papers with care and with great interest. I found the two papers very interesting, very educating, full of information and also full of wise advises and recommendations for the future negotiations on North Korean nuclear problem.

Mr. Pritchard said earlier on that he had few questions on Mr. Einhorn's presentation. So I will let him raise the questions instead I myself will make a few comments on general nature on the issue of the February agreement.

First, I would like to comment on the significance of the February agreement. We all know that this agreement contains many loose areas which may come up in the future negotiation disrupting the process of the six-party talk.

But I do believe that this February agreement was a good one. A very fortunate one. The fact that the road ahead is long and bumpy and the expression of Mr. Einhorn does not mean that this agreement is not a good one. I do believe that it provided very useful foundation from which further negotiation can proceed.

I would like to mention two interesting features in this particular agreement which distinguishes this agreement from the earlier one. One is that I perceive the agreement on the initial actions in the larger context of the September 2005 statement which sets out a vision, a road map that the negotiation to resolve the North Korean nuclear program. So there is the larger picture and this particular February agreement was to deal with the first initial steps.

The second feature I was interested in making note was perhaps the collective pressure and collective persuasion on the vital five members of the Six-Party Talks on North Korea. This time of course there were some countries in the Six-Party Talks that were not all that enthusiastic with this particular agreement. But in the end, they came out and support this agreement and that fact alone is very important for the future of the Six-Party Talks.

The second point I would like to comment on is the U.S. policy toward North Korea. We all seem to agree that I raised a shift, more significant shift as pointed out in the morning session and also in the two papers this afternoon. In U.S shifting of the U.S foreign policy towards North Korea that contributed to reaching a February agreement.

The February agreement was proceeded by many errant including the aggregation of the situation in Iraq, the mid-term election in which the democratic won by landslide



victory last November, and the reshuffle of the Bush cabinet, replacing Defense Minister Rumsfeld with what they called a more moderate official Mr. Gates, among others.

I believe that the inauguration of a more moderate national security team headed by Secretary Rice and Chris Hill was a major factor in making the February agreement a success. Nonetheless, I do think that equally important is the President Bush himself. The realization on President Bush somewhat that he could not leave the office in unhappiest time with the stigma that he was the failure president of both one in Iraq and North Korea. He wanted to make North Korea before leaving office less threatening and the relations between the United States and North Korea less abnormal if not normal.

If this conjecture is correct, then I think we can be allowed to be little bit optimistic as to the future of the future negotiation of the Six-Party Talks. Again, I want to emphasize that it should not be overly optimistic as the road ahead is full of unexpected obstacles.

The third point I want to make comment on is the role of China. Mr. Einhorn and Dr. Paik, and others made comments on the role that China played in brokering this February agreement. I do agree that Chinese role was quite important if not pivotal and making this February agreement a possibility.

It was China who was shocked when North Korea went ahead with a nuclear testing on October 9th of last year. At that time, President Hu Jintao of the Chinese government was receiving Japanese new Prime Minister Abe at the Grand Ceremony in Beijing. And taking the opportunity of this ceremony, President Hu Jintao in gentle way not in uncertain way, warned North Korea not to go ahead with the nuclear testing. Nonetheless, North Korea did go ahead with the nuclear testing.

The first official response from the Japanese Foreign Minister and so as Chinese Foreign Ministry after North Korean nuclear testing was as Mr. Einhorn said in his paper, “blatant act” in Chinese is *han ran*, and it means “blatant,” “outrageous” act. China never used this phrase as I can recall such an expression on commenting on North Korea. And it was perhaps a slap on China’s face. North Korea slapped the face of President Hu Jintao of China by going ahead with the nuclear testing.

It was not the only slap on the Chinese face that North Koreans did. It was second time indeed July earlier on as North Korea went ahead with the launching of the missiles shortly before that Premier Hu Jintao of Chinese State Council in a meeting with a Thai Prime Minister again in a low and unclear tone warned against the launching of missile. Again, this time North Korea went ahead with the launching of the missile. It was typical North Korean act of brinkmanship.

Chinese Ambassador to the United Nations Ambassador Wang after the nuclear test by North Korea when the resolution on North Korea was being considered at the UN Security Council said in a specific tone that international community had to pursue a

'punitive measure' on North Korea. Again, it was very unusual. Very unusual. You cannot expect such a word to come out of an ally of North Korea.

But again, that was the end of the Chinese harsh attitude toward North Korea. The event that followed demonstrated that there were certain limitations beyond which China could push North Korea.

I remember more than 10 years ago, the remarks by Premier Li Peng, the state council, in which he said that North Korea may be crazy, he was addressing to the global foreign correspondent visiting China in the interview with this foreign correspondent. It was Li Peng who made a comment on rather unusual behavior of China. But still in the fundamental sense that sentiment still remains which guides Chinese foreign policy towards North Korea.

China may be interested in controlling and managing the North Korean nuclear situation in particular. But management is what China is concerned. Resolution of the nuclear issue is not perhaps an immediate Chinese concern. China may be concerned with the initial actions but not with the denouement the final wrap-up resolution of the nuclear drum.

Not that China enjoys it but there are certain limits beyond which China can push North Korea.

Now let me comment on what Mr. Einhorn said about the goal and duration of the six-party negotiations. A key question here as he said is can or will North Korea abandon its nuclear option completely. Maybe North Korea has already made the strategic choice to get rid of nuclear capability and go all the way for the denuclearization of the Korean Peninsula as it often stated.

On the other hand, North Korea may want to have the cake and eat it too. My own view is that North Korea may pursue its strategy to keep the nuclear option as long as possible. This generally leads to possibilities. One is that the negotiation may be long bumpy and to say at least very time consuming. I was in the government more than 10 years ago when the first nuclear crisis erupted and if my experience is of any help, it should be prepared for a long bumpy and time-consuming negotiation with North Korea. But that is the only way; there is no alternative other than that. That is the situation, the reality that we have to live with.

The other possibility is that the future agreement on the North Korean nuclear program may contain room of ambivalence as to North Korea's nuclear transparency. As to the duration Mr. Einhorn suggests 4 to 8 years. I do not understand what is the basis of this particular duration 4 to 8 years. But I would cast my vote for the shorter duration for 4 rather than 8. I would appreciate if he could later on kind of explain any basis he may have for this particular figure.

I guess that with the eventual agreement on North Korean nuclear issue containing some elements, some reference to the light water reactor, the completion which it will take anywhere from 5 to 7 or 10 years. That could be perhaps a reference but that is my own guess.

The last point that I want to make comment is the need for the direct channel of communications with North Korean top leadership in particular. As you all know, North Korea is a very unique political system. It is a one-man system. And only that one man can make the final decision on everything including the nuclear issue.

The Six-Party Talks where Ambassador Kim Gye Gwan is North Korea's senior negotiator is only a forum in which mid-level officials gather and discuss. Kim Gye Gwan as far as I know does not have direct access to the dear leader. Only Kang Suk-ju has. And Kim Gye Gwan has to report to Kang Suk-ju and then Kang Suk-ju reports to Kim Jong-il.

That may not be too bad, but the better way is sooner or later you got to have a direct line of communication with the top leadership in North Korea. I am not saying that the summit is panacea or cure for all for the North Korean issues and beyond, but it is very important that we should have. As South Korea, United States, and Japan and all the other members of the Six-Party Talks to have direct channel of communication with the North Korean leadership. And that will facilitate the negotiation to a greater extent.

I will conclude by saying that for all I have said, it is vitally important for the five members of the Six-Party Talks to remain united, solid, coordinated, and in lockstep that particularly goes with the United States and Korea. And with that whatever hardship and difficult time may come, which might very well, and then we can eventually be able to see the light at the end of the tunnel.

Thank you very much.

[TAPE CHANGE]

MR. PRITCHARD: The floor is yours.

ROBERT CARLIN: I am delighted to comment on two papers which took seriously the nearly impossible task of recommending ways to make Six-Party Talks work. And we have an old adage, in America at least, and it is “you never tell the parents that their new baby is ugly.” The Six-Party Talks are nearly 4 years old now and let me tell you—this is one ugly baby.

I am not going to stay on the image of the baby because if I did, it might get us into the issue of conception, and I don't want to go there in this case. But the impression we have or the impression I have based on reading the papers and listening to a lot of people talk about this, is that we are somehow stuck with Six-Party Talks.

Jim Kelly this morning said in his paper, the alternatives to the Six-Party Talks are poor. Bob Einhorn said Six-Party Talks if it doesn't hit a dead end. So people are trying to figure out ways how to make this work. And both papers tried to valiantly, I think, make that effort.

The problem is, although Six-Party Talks have become synonymous with diplomacy, people too often forget that the Six-Party Talks are not the totality of the diplomacy. When we talk about a diplomatic settlement of the North Korean nuclear issue, we are not necessarily talking about the Six-Party Talks. There is a whole range of possibilities out there, it seems to me that we need to consider.

Recommendations. People make recommendations on how to have the Six-Party Talks work better. One of them which we hear frequently is to make the other five parties work more closely together and coordinate better. This is something that looks very good on paper and it sounds very good to our ears. And it doesn't work now in Asia today.

We have heard several people today discuss the issue of China and, yes, Chinese are finally fed up with North Koreans. And I have been doing this, working on North Korea, since 1974 and I have frequently seen Chinese finally fed up with North Korea. But there are limits, as we heard. I heard one Chinese official explain that the Soviets did not want the PRC to get nuclear weapons either. And Khrushchev exerted enormous pressure on the Chinese to get them to stop [their development of nuclear weapons], including withdrawing all Soviet technicians and their blueprints from China. Severe pressure. And this man said to me, "You know what we did? We developed the bomb anyway." He was very specifically addressing the likelihood that pressure by itself would cause the North Koreans to stop.

So right away the Chinese have a different perspective on this. We recognize that and yet we need to factor it in more when we think about coordination. That's the first part.

And let's look at Japan. Is Japan in harness with the other five or the other four? You may be reading different newspapers than I am but nothing that I have seen from the Japanese government suggests to me that Tokyo is shoulder-to-shoulder with everybody else on this issue.

Are there going to be test-runs in railways? Yes, and we heard a very good skillful explanation at lunch of why this is not necessarily in contradiction to the goals of the Six-Party Talks. The question, however, is, how do the North Koreans view this? Do the North Koreans see a solid wall against them? Or do they see five separate parties which they can manipulate?

And I submit that they see more the latter than the former, and that's how it is going to remain.

What's the second recommendation? Pressure and sanctions. Strengthen the negative incentives against the North Koreans and make them understand and then we fill in the blanks. Make them understand that if they do the following bad things, even worse things will happen to them.

Again, this is something that sounds good and yet negative incentives are a singularly ineffective diplomatic tool when dealing with North Korea. They don't work. They may make us feel good, they make us puff our chests out, but the question is, how do they effect North Korean behavior? And the answer is, as far as I can tell, not very much. Now does that mean they have never worked? No, I wouldn't say that.

I can remember once in October 1976, after the Panmunjom ax incident, when we mobilized B-52s and aircraft carriers and scared the North Koreans half to death because they really thought there was going to be a war over what they consider to be a relatively minor incident. And that case, that sort of pressure on our part, scared them straight. I can't think of any other incidents really. Not June 1994 in which really negative actions have resulted in North Korean behavior that we wanted to see.

If negative doesn't work, what about the positive, which is what is also recommend in these papers and a lot of the commentaries that are put out on the Six-Party Talks. At lunch, we heard the formulation: we should provide room and the environment in which the North Koreans can make the decision to abandon nuclear weapons. This probably makes the most sense.

Let me give you an example of the history that didn't happen but might have. We stopped building the LWRs in early 2004. We've finally pretty much hold to the construction. And I was on the last ship out of Kumho on a very cold morning in January 2006 and as the boat pulled out of the harbor, we saw not only the equipment that we had left behind and the construction that had been completed and it was now just sitting there, but we also were leaving behind ten years of an important working relationships with the North Koreans. But let's say we had stayed on schedule. By July 2006 when the North Korean launched all of those missiles in the morning, Reactor 1 would have been externally complete. Everytime Kim Jong-il took the railroad which went right by the construction site, he would have seen effectively the containment vessel for a nuclear reactor. And within another year or so, that reactor would have been finished; all the parts would have been delivered.

Now, do you really think that the leadership in Pyongyang would have decided to break the missile moratorium and launch those missiles if they had thought they were 12 months away from potentially getting 1000 megawatts of electricity? Interesting thing to contemplate, I think. Useful.

Positive incentives for the North Koreans generally, I think, are economic, not security. And the reason is, because the economic reforms that formally began in July 2002 are absolutely positively real in the leadership in Pyongyang. They have been

sustained, they are thorough-going, and I think they probably take up more of Kim Jong-il's time and attention than the nuclear issue certainly.

This is something he is concerned with, and therefore that the rest of the leadership is concerned with. And if there were a way for us to tap into that energy coming out of Pyongyang, that deep interest in this economic issue, I think that's where we would see some of the results we are looking for in diplomacy with the North Koreans.

Last point, implementation. Let me read couple of sentences from Bob Einhorn's paper. He said that all the parties must scrupulously meet the agreed deadlines and milestones if mutual confidence is to be built. Simple sentence. Very complicated process of meeting deadlines, and this not just the North Koreans. As Bob says, "all the parties." We really think about our own obligations and performance seriously.

He says problems will inevitably arise in implementing any agreement on this element. That may be the understatement of the year. Seriously. There should be an implementation commission involving all six countries that would meet on a regular basis to address and resolve questions of implementation. When most people hear that they think, "Oh yes, North Korean implementation. They are probably not going to meet their deadlines."

Negotiators focus on negotiations. It is absolutely natural that they should do so. They look at the deal, they look at the compromises they have to reach, and the words they have to fudge, and how they are going to convince their own capitals to accept a certain compromise. They rarely have time or the interest in seriously thinking about implementation. I don't mean words on paper; I have been through that exercise many times. I mean the complex choreography that it takes to translate words and the nuances into concrete behavior—not one time but over a period of years. When you have to put up with legislative problems, budget problems, contractor problems, weather problems, and you can't possibly deal with all that stuff ahead of time. I am not suggesting that.

I am only suggesting that when you are reaching an agreement, a complex agreement with the North Koreans, it's absolutely critical for there to be a careful consideration ahead of time as deeply as possible of the implementation of our own implementation, our own obligations.

If there isn't more, much more attention to this implementation problem earlier, then the best agreement in the world that has worked out is probably going to stumble, when it stumble it loses its momentum, when it loses momentum it begins to head back towards mother earth, gravity takes over. And that's how agreements end up in the graveyard.

Thank you.

MR. PRITCHARD: Thank you very much Bob. There should be microphones available for you and as you are thinking about your questions, I am going to ask our two

presenters to continue the discussion that they began at lunch. We were sitting together, and they looked awfully much like the panel up here.

But it goes to the heart of this presentation this afternoon and talking in terms of seeking a nuclear-free Korea. And the question is what are the different views both in the United States and South Korea, if you can't reach a deal. How does South Korea view the potential that the U.S. would tolerate a nuclear Korea? How does the U.S. view how well South Korea would tolerate a nuclear Korea?

And what I found, listening at lunch was that the expectations of each other were quite different. And so I would ask both Haksoon and Bob to just pick up that discussion if you will and I will start with Haksoon. And for the benefit of the audience here, and then we will open it up for your questions.

MR. PAIK: Thank you, Jack. At the lunch table we talked about the possibility of the United States's eventual toleration of North Korea's possession of nuclear weapons. I suspect that considering the structural dilemma we are in, as I described in my presentation, we have no control mechanism over North Korea's nuclear-related behaviors, actions, and policies.

We have to really watch over North Korea accumulating plutonium for weapons. So this kind of structural dilemma came into being when Honorable James Kelly visited North Korea and again, that is not your fault. What I mean is that you went to North Korea as a presidential envoy and demanded that North Korea have a secret HEU program, that's not true I am sorry, and dismantle it basically. The Agreed Framework was gone and the NPT was gone and IAEA safeguards were gone. So we don't have any control mechanisms over North Korea.

So a lot worries on the part of South Korea are basically resulting from this kind of absence of control mechanism and so the question basically becomes, what can we do if we can't prevent North Korea from going nuclear? And then the logical answer would be to just prevent North Korea from transferring fissile materials, nuclear technology and parts of missiles, and whatever out of North Korea. So that kind of a very worrisome development in this nuclear negotiations still exist because of hard liners and neo-conservatives keep on pursuing regime change in North Korea and recognize as one of the most plausible and viable options for the United States government to denuclearize North Korea in the long run.

So as a Korean, particularly who is interested in peaceful unification in the long run, is worried about the possible potential toleration of the United States over North Korea's nuclear weapons, which will lead to a very clear limit to the Koreans' pursuit of peaceful unification. Because North and South Korea are engaged in legitimacy competition and authority competition, basically South Koreans cannot tolerate even the concept of North Koreans having nuclear weapons. So we are advocating zero tolerance of North Korean nuclear weapons for the interest of the Korean nation in the long run. So that's basically what we are thinking of.

Thank you.

MR. EINHORN: North Korea may expect that the U.S. would adjust to the new reality of a nuclear-arm North Korea. They may be reasoning that in July 2005, the U.S. was prepared to reach an agreement with India to permit the United States and probably other members of the nuclear suppliers group to engage in a nuclear cooperation with a non-party to the NPT.

I think though, that—I don't happen to like that the U.S.-India agreement but that's another discussion—I think it is clear that North Korea is not India. India didn't join the NPT so it wasn't violating international obligations in acquiring nuclear weapons. North Korea is a different story. It joined the NPT cynically with the intention to cheat on it in acquiring nuclear weapons, and that's what it did. North Korea being allowed to “get away with it,” whatever that means, will set a much worse precedent than India-Pakistan or Israel.

So I think the U.S. would view North Korea with nuclear weapons as unacceptable. I don't mean unacceptable in the sense that we will launch military strikes to roll it back, but unacceptable in a sense that as long as North Korea has nuclear weapons, the U.S. would not normalize relations, it would not repeal sanctions, and in fact it would turn up the pressure.

If in some future day, if the North Koreans walk out of the Six-Party Talks for good and it is clear that there's no turning back, I think you can imagine any American administration, Republican or Democratic, adopting the position that we now have to go and work with our partners in the region to deter, to contain, and eventually to roll back this capability. I can't imagine that the U.S. approach to a nuclear North Korea would be anything near its approach to a nuclear India.

But it's very interesting that Jack picked it up, and Haksoon has concerns about the U.S. eventual accommodating to this reality. I have heard a lot of concerns about South Korea accommodating to that reality, in fact, some experts—and not just in Washington—wonder whether some in South Korea are not terribly threatened by a North Korean nuclear capability, but in fact would not mind reunification 5, 10, 15, 20 years from now, and inheritance by a unified Korea of the North Korean nuclear capability. My South Korean friends deny completely that this is on any one's mind. But it is something that is widely accepted outside of South Korea.

MR. PRITCHARD: Thanks very much. Let me turn to Richard Bush. We have a microphone available. Where are microphones? No? Alright, Richard if you will just...I think we need the microphones because of the interpreters.

RICHARD BUSH: Let me make absolutely clear that I am one hundred percent for the denuclearization of the Korean peninsula. So let there be no doubt about that. But I think there is another hypothetical option here between the ones that you have discussed.



And if it becomes clear that North Korea has made a choice to base its security on keeping the nuclear weapons it has, and to forgo the economic opportunities of denuclearization by relying on limited aid from China and South Korea, and to forgo the opportunities to normalize relations with the United States, and to continue to produce fissile material nuclear weapons and so on.

Then there may be some people—and they may not just be Americans—who would say, “What is wrong with trying to cap North Korea's program, cap the fissile material, cap the number of nuclear weapons, get a moratorium on testing, etc., and bound the problem?” – as an alternative to permanent deterrence and containment.

Thank you.

MR. PRITCHARD: Thank you, Richard. I am going to go to Ambassador Sun first.

SUN JOUN-YOUNG: Thank you, Mr. Chairman. I am Sun Joun-young from Kyungnam University. I would like to raise one question to Professor Paik then another question to Secretary Einhorn.

My question goes to Professor Paik. Mr. Carlin also briefly touched upon, I think this week, North and South Korea are celebrating the test-run of the railway and more than 60 people have been invited from South Korea excluding a formal Minister of Unification. In your view, Professor Paik, why do you think North Korea agreed to test-run the railway when the process of implementing the initial stage of the February 13th agreement is being delayed? And what do you think the celebration would affect the process of the Six-Party Talks? Would it be negative or positive?

My second question goes to Secretary Einhorn. You have drawn a somewhat skeptical picture of the future of the Six-Party Talks negotiation process by saying that the road ahead for the Six-Party Talks will be long and rocky, and a bumpy ride. You also said that there's no credible military option. So under the circumstances, you further said that we should be preparing, we should be developing a Plan B containing, deterring and eventually rolling back North Korea's nuclear capabilities. My question is, what do you have in mind when you say “Plan B,” under the circumstances?

What are the possible ingredients to make a Plan B?

MR. PRITCHARD: Thank you very much for the questions. Let's just go ahead and answer them now. First turning to Mr. Paik.

MR. PAIK: Basically, North Korea is trying to benefit economically from having the test-run drive of the railroad. I want to emphasize that it would have been much better for us to separate inter-Koreans relations from South Korea-U.S. relations, for instance, or nuclear issue per se. As Mr. Carlin pointed out, there is a very clear limit to making North Korea give up something in the security area. And economy is something that North Korea is concentrated on. If you read the New Year's editorial, they even reversed

the order of ideology—military and economy—in terms of listing issue areas. So everything was focused on economy, as far as I understand, in North Korean politics from mid 1990s. And there have been some consistent ideas not only in the United States but also in South Korea that inter-Korean relations should be linked to South Korea-U.S. alliance cooperation or something like that. This means basically we approach North Korea through South Korea-U.S. relationship and this caused a lot of problems. You might say, “Why do you [South Korea] cooperate with North Korea? We are allies; we South Korea and America are allies. Therefore, we have to cooperate between allies.” But that doesn't work that simple way in reality in South Korean politics. They are our divided nation and there is a political need on the part of any politician in South Korea and also in North Korea at least to put inter-Korean relations as one of the top priorities for their legitimacy of their rule. I don't know if this is a good occasion to express my opinion this way, but I was deeply concerned about the fact that inter-Korean relations were closely tied to South Korea's alliance cooperation. Otherwise, we would have secured an independent realm of inter-Korean economic cooperation much more than we see these days and which will in turn work as a very strong catalyst or pressure on North Korea as leverage in making North Korea listen to us and introduce more reform and opening in a more significant way.

MR. EINHORN: On Richard's question, what's wrong with the cap? No, get them to cap their own capability, get them to promise not to export the capability. Would that be a good deal? I don't think so for number of reasons. It would create a terrible precedent to have a country violate the NPT and then get accepted in a certain sense. How would it affect Iran's behavior?

You can just ask that question. I think it's obvious. Iran would want at least as good a deal for its capped new nuclear capability in no circumstances. I just think it's an intolerable precedent. Also, could we have any confidence that the North Koreans were complying with any understanding about capping and no transfer? A no transfer agreement would be particularly hard to police considering that you can send small packages of plutonium without any risk of being caught I think. So compliance will be a problem.

Also, I am concerned about long-term stability in North Korea and the prospect that in some stage this resilient regime will finally give way to instability breakdown in central control and so forth. And if that is the case, I am very concerned about what happens to the nuclear materials and the nuclear weapons they may have acquired. Even if capped reliably I would be very concerned with the implications of that. So that's not a deal I think that we should take.

That takes me to the Plan B and what's Plan B if you are not going to pursue a cap like that? I think there will be a number of components of Plan B. One important component would be for the United States in particular to reassure its allies the ROK and Japan that were prepared to do everything necessary to ensure their security in the shadow of a nuclear-armed North Korea. And we do that in a number of ways whether

it's helping them with their own military capabilities and especially with their missile defense capabilities I think. We already see that happening with Japan.

I think assistance to North Korea under Plan B would have to be very limited. We wouldn't want to constrain humanitarian supplies I think, food, medicine, and fertilizer and so forth. We would want to continue to provide but in terms of helping to develop the North Korean economy in those circumstances, when there would be the risk of diversion to nuclear missile program, I don't think it would a very good idea.

I think Plan B would involve heightened vigilance about North Korean imports of sensitive equipment and technology and heightened vigilance about North Korean exports of sensitive equipment and technology. Whether that is through the Proliferation Security Initiative (PSI) vehicle or whether it is something that it gets authorized by the Security Council to augment the existing 1718, I am not sure.

One fair element that would be important, we have to continue to send the message that even with these other measures, the original deal is still on the table. If they are prepared to give this up entirely, not to cap their capability but to give it up entirely, we are prepared to renew our offer to normalize relations and provide the material assistance that we are now offering.

MR. PRITCHARD: I would almost suggest that we have a Plan B in function now, which you have just described. Let me go to Joe Winder with the microphone here and then we will go to the middle.

JOSEPH WINDER: Thank you very much. I too Jack picked up on the point of Plan B. Both papers ended basically with a "What is Plan B?" question. Haksoon was more, "What will we do as an alternative?"; but Bob, in reading the last sentence of his paper, that's where it was.

And I want to pursue just for a second, both of you gentlemen — Bob, I thought you were going to include in Plan B something along the lines of, do BDA-maximum? You noted in your paper, you made a positive reference to the message that North Korea may have gotten to the BDA unlike this morning, when everybody accused it for ruling the whole process and that would seem to be an element that would be fairly effective particularly if we have got support from others that would get their attention, would have a serious impact.

And I would like to ask Haksoon, what elements that you might consider in Plan B and what financial measures along the lines of BDA would be acceptable in your plan?

MR. EINHORN: Thank you, Joe. I just neglected to mention. That would be a critical element of maintaining the pressure. Clearly, the measures against the BDA had a real impact. It had a kind of a multiplier effect in dissuading international financial institutions around the world from having anything to do with North Korea. I think that would be a component of a Plan B.

MR. PRITCHARD: Let's go to the next.

CHUN IN-YOUNG: I am In-young Chun from Seoul National University. I appreciate your excellent presentation. Knowing that North Korea is buying time and that the U.S. is preoccupied with Iraq, do you think or don't you think North Korea can end up like another Pakistan?

MR. PRITCHARD: I am sorry. Before you give up your microphone, could you repeat that last portion?

MR. CHUN: I am afraid if the United States will virtually give up the whole CVID principles and exclude the last option of using military force, which is a very effective one. As Mr. Carlin mentioned, in 1976 North Korea complied and at the end of the Korean War, heavy air raids against Pyongyang made it possible to reach a truce agreement. And even in June 1994, during the Clinton administration, heavy pressure threatening use of force made North Korea to retreat. Knowing that now the United States seems to have given up that option, and no longer mentions CVID, then what are the options? That means the Pakistan model is the only option left.

MR. EINHORN: On the question of military force, I guess there was an option in 1993 and 1994 to destroy the reprocessing facility, but it was a very messy option. I think there is a wrong lesson that has been learned. Iraq, we were prepared to use military force because they didn't have a nuclear deterrent at that time.

North Korea, we weren't prepared to use military force. We were prepared in Iraq and we weren't prepared in North Korea because they had a nuclear deterrent. I think North Korea has had a powerful deterrent for a long time but it's not a nuclear capability, it's the mass artillery and rockets that are forward deployed and that could cause a lot of damage in downtown Seoul in event of any U.S military strike.

I am unaware of anyone in the Bush administration who has given any serious thought to use of military force in dealing with the North Korean nuclear problem. My guess is that there are plenty of people thinking about the use of military force in Iran.

I doubt that it will be used but I think that's more of a viable option with respect to Iran than North Korea. I just don't see any administration even considering it at this point. It was dangerous in 1993 and 1994, it is more dangerous now. I just think it is off the table.

MR. PRITCHARD: While you are thinking about the question, let me intervene....are you ready? Okay. Microphone up front.

PHILIPPE THIEBOULT: Thank you. I am Philippe Thieboult, French Ambassador to Korea. I would like to raise a question in relation with other players in the game, which are basically Europeans who are very interested in what is going on because obviously it

is a major issue for regional security in Northeast Asia but it is also a major issue a recent proliferation and of key importance.

My question, is what are the actions the Europeans can try to do in order to help this process? We support the Six-Party Talks and the forum, but what can we try to do more? I think the players and particularly the Europeans in this regard could be active in supporting this process and helping it to move forward. Thank you.

MR. PRITCHARD: Before I ask, I am going to reverse in question here because you just had a major election in France. I was going to ask if by chance you know how your new president will view Asia and particularly North Korea. I don't think we have a good feel for that and I am not sure if you do at this point. But if you have anything that you would like to share with the conference here, we take advantage of your presence.

MR. THIEBOULT: On this question, I will certainly not dare to say whether the new president, as in mind it is always a very daunting exercise. But basically, I would suspect that on this question, for the reasons I explained earlier, that we are interested in what is going on in Northeast Asia. Northeast Asia is now a key area for the prosperity of the European countries. It is one of the major trade partners and so the stability and the security in Northeast Asia is a key issue for us, both bilateral relationship and for the future of the non-proliferation regime. So I would suspect that the new president will have the same interest in this area as the previous French administration. Thank you.

MR. PRITCHARD: Thank you. Sorry for putting you on the spot. Let's ask and open it up to anyone at the panel here, if they have any recommendations of how the Europeans could become more involved in the process. So Hakssoon would you?

MR. PAIK: Joe, I am sorry. I couldn't answer your question because I have a serious fatigue. I will think about elements in Plan B later and then I will talk to you. Again, let me pass it to Bob.

MR. EINHORN: The security of Northeast Asia is very important to all Europeans. But Europe has always really played a secondary role on the North Korean issue. It has followed the negotiations very carefully; it is an important stake in preservation of a strong non-proliferation regime.

But its influence on key players, especially North Korea, is not going to be very great. I mean America's influence on North Korea hasn't been very great, so Europeans cannot expect that much more. But still there's a constructive role to play as Europeans did play. European members of the Security Council in 1978 for example. And I think if things don't get better, the Security Council again will be faced with the matter.

As Joe reminded us, financial measures outside the Security Council are an important source of leverage and Europeans obviously play a major role in international financial institutions. Europeans can have some indirect effect on the process by speaking to the Chinese and to the South Koreans and urging them to take steps necessary.

The expertise that the Europeans have, and Phillippe that you have personally, in dealing with the IAEA in verification by the IAEA can be helpful in encouraging Mohamed ElBaradei in the IAEA to put the right kind of measures in place. Positive incentives, again, don't know how important it is for the North, but the Europeans have a lot to bring to the table in terms of economic...

[TAPE CHANGE]

MR. EINHORN: ...the assistance if the North Koreans were prepared to get rid of the nuclear capability.

MR. PRITCHARD: Let me turn to Bob Carlin.

MR. CARLIN: Don't forget the Europeans got involved in KEDO. They had the potential for playing a very constructive role, but always felt compelled to sit with their heads lowered and not really to bring the full weight of their influence or experience or a foreign perspective to the table. I think the most useful contribution from the Europeans is going to be not in a very pinpoint way on this issue but in the larger framework in which the North Korean issue fits with developments in Asia itself. There is some very ugly chemistry developing in Northeast Asia, I think. And there's a serious need, from an outside perspective, to help these countries through what I hope is only a temporary period onto a more cooperative future. Because if not, if they don't get this advice and encouragement, then the place is going to go into an unhappy period, and it just isn't going to be because of the North Korean nuclear issue either.

MR. PRITCHARD: Thank you. Joel Wit, wait for the microphone.

JOEL WIT: Thanks, Jack. Whenever I sit in conferences like this, people always seem to focus on Plan B for some reasons. So what I want to do is try to return to Plan A. What I want to do is try to prod the participants particularly all the American participants to talk a little bit more about how we can put flesh on the bones of Plan A. And particularly these issues, the two of the key issues which are normalization of relations with North Korea and the provision of the light water reactors. And I have heard couple of times for example that the U.S. can't normalize relations with North Korea while it has nuclear weapons. Does that mean that all the issues associated with normalization of relations which is establishment of liaison offices and lifting of economic sanctions can't be addressed until North Korea gives up its nuclear weapons? Can those issues be addressed much earlier in the process? And the same issue applies I think or the same question applies to the light water reactors? People are going to say that we are not going to talk about that with the North Koreans until they give up their nuclear weapons. I am not sure if that is going to fly with the North Koreans. So if I can just press some of the Americans to may be to think out loud about that issue that would be great.

MR. PRITCHARD: Joel, thank you very much. Let me set up a couple of parameters. One, the LWR is not, as you know, a given that the North Koreans will get

even though it is mentioned in the September 19th, 2005 joint statement. The language there is very ambiguous, agreed to by the United States very reluctantly. I do think that it bears a need for a discussion here today and because we will see that issue come up if we get to Phase II and I want to piggy back on your question and try to elicit from Bob, a question that I have that will help answer yours and that is as we get to Phase II which we are asking the North Koreans to disable their reactor, it seems to me improbable that the North Koreans are going to take that step knowing that once they do it, they are going to stand back and say, "What do we have at Yongbyon besides an environmental mess and the inability to use it any further in our negotiations with the United States?"

And it seems to me that some point in time at Phase II, prior to the final disablement act that the North Koreans are going to turn to Bob Einhorn and they are going to ask, "Can you advise us about Nunn-Lugar and how we can get this now?" And the question becomes, will the United States look at the provision and going to congress and getting the kind of funding that is necessary and making in that type of a guarantee if not the provision of Nunn-Lugar so early in the process. Whereas most of the U.S. actions at this point have been 'let us wait until beyond the Phase II until the dismantlement phase.' What you are sense in terms of how can you put flesh on the bone, it is Nunn-Lugar part of an act.

MR.EINHORN: First on Joel's question. I am sure I wasn't clear enough. What meant to say was that the final steps in normalization—you know, exchanging Ambassadors, opening embassies, that kind of thing—would probably have to await completion of the denuclearization process. But I think you have got to give the North Koreans some incentive to keep moving toward that goal by taking interim confidence building steps in the area of normalization, whether it is liaison offices or meetings of senior officials, visits. I mean it is a confidence building measure for Chris Hill to go to Pyongyang if he has some decent discussions there. Starting to peel back some of the sanctions, you are getting into some tricky areas of course because obviously the delisting of North Korea as a state sponsor of terrorism has implications for relations with Japan and so forth. But I am sure we can find sanctions that we can peel back or peel off that could build some confidence.

And so as you have said, it is part of a road map and I think there can be a lot of interim steps taken. On the LWR issue, I don't think we can put this issue off until the denuclearization is finished in 5 or 10 years or whatever it is going to be. It is going to come up soon when in the energy assistance group, we start talking about the delivery of energy assistance. South Korea has a proposal on the table to provide 2,000 megawatts of non-nuclear energy equivalent. And so how do you begin to do that if you don't know whether there is going to be a light water reactors in North Korea. I think the U.S. and the ROK should begin talking about an energy plan for the Peninsula. And to find out whether the South Koreans believe that they should have a nuclear component to it and to begin planning in those terms.

And I think the Nunn-Lugar assistance has to begin very soon. The North Koreans don't have the money to pay for dismantlement. They are going to need outside assistance.

And I think, by creating something like a “North Korean Nunn-Lugar program,” you can help them get over the various hurdles of dismantlement but at the same time, that would involve members of the five parties or the donors to the CTR programs being on site at these facilities. And that provides a kind of an effective monitoring function and we might get access to facilities by cooperating in threat reduction that we wouldn't get access to if we weren't negotiating on site inspection under a verification regime.

MR. PRITCHARD: Thank you very much. Let me turn now to Dr. Paik.

MR. PAIK: Let me pick up what Richard Bush commented on capping North Korea's nuclear ability and sort of live with it as reluctant but a compromise solution. Thus, it is a very tricky solution at least for Koreans and I think that is the way of tolerating North Korea's nuclear weapons. Of course, I know there are such discussions, not an official discussion from the government side, but among many think tank people. They are really worried about such a situation and I personally that we are trying our best, the Koreans I mean, to avoid that situation.

So let me just mention one thing. In terms of how much we are disappointed when President Bush made an official comment just after North Korea's successful detonation of nuclear device in that, to the effect that he emphasized the prevention of transfer of nuclear-related materials all out of North Korea. We are not disappointed about his preventing of North Korea from going nuclear nor his political will to denuclearize North Korea 100 percent.

So thank you for bringing up that question.

MR. PRITCHARD: Okay. Are there any questions? Okay.

KIM SUNG-CHUL: My name is Sung-chul Kim from the Sejong Institute. My question is about the multilateral security framework in Northeast Asia related to the effectiveness of the Six-Party Talks in Northeast Asia. I think Six-Party Talks are kind of a viable option for multilateral cooperation in Northeast Asia. Although there are many difficulties in implementation and denuclearization of North Korea is very difficult.

But still I think the Six-Party Talks are kind of a viable option. The Korean peninsula is surrounded by four major powers: China, Russia, Japan and the United States. They all are very much involved in the Korean issues. So the Six-Party Talks involve four major powers along with North and South Korea. They all get together and discuss about Korean issues, North Korean issues, and the nuclear issue.

I think the Six-Party Talks are very good in terms of its institutional form and structure. And I think the roles of the United States and China are very important.

So I think the U.S. can participate in the Northeast Asian issues and China and the U.S. are cooperating to deal with these issues and Russia and Japan can support. And Europeans can support this framework that can lead to multilateral security framework in



Northeast Asia and also can lead to economic cooperative framework in Northeast Asia. And now the U.S. and South Korea have Free Trade Agreement and China, EU and Canada may have a Free Trade Agreement with Korea. Korea can have also economic interchange with Japan and Russia.

So it is kind of a good framework for cooperative economic framework in Northeast Asia. And now South Korea is developing and advancing economic exchange and economic assistance towards North Korea is being actively proceeded; Kaesong Industrial Park as a good example. So I think the Six-Party Talks are just a beginning and they can lead to multilateral economic and security cooperative framework in Northeast Asia.

Now I would like to ask and listen to the opinions of the participants. Thank you.

MR. EINHORN: So your question was, do we agree with you? [laughter] I must agree with you. The only thing is that it is hard for me to imagine that the Six-Party Talks will evolve to cooperative regional security arrangements or cooperative regional economic arrangements if North Korea maintains its nuclear weapons capability. And I think that's the prerequisite to turning the Six-Party Talks into any kind of security mechanism.

MR. PRITCHARD: Okay. Yes ma'am.

MS. CHUNG EUN-SOOK: My name is Eun-sook Chung from the Sejong Institute. I think Dr. Kim's view is quite opposite from Dr. Carlin's. You mentioned that the Six-Party Talks seems like ugly baby but Dr. Kim has posed a positive opinion and elaborated an optimistic view about this multilateral institutions. But I agree with Mr. Carlin, multilateralism inherently has some weaknesses, from the realist view it is quite weak. Especially when we need a decisive decision. So basically I agree you. I would like to hear about your Plan B. What would be your Plan B? And regarding this Plan B, I would like to ask Secretary Einhorn what would be the Libyan Model of giving up a nuclear program. Could the General Kim Jong-il be the Libya's Gaddafi? And North Korea will be removed from the list of states sponsor of terrorism. Would you please explain to us on this issue? Thank you.

MR. CARLIN: I have never been a Plan B man. [laughter] I didn't really think there was a Plan B before. I think now that we have let them get the nuclear weapons, there's even less of a Plan B. I think we have put ourselves in a corner. I am very much afraid that we are left with some very ugly options including just capping the program.

MR. EINHORN: You know, Muammar Gaddafi actually issued a public appeal to Kim Jong-il and said, "Why don't you follow my lead?" It was clear that Kim Jong-il was not going to follow Libya's lead because there's a big difference between North Korea and Libya. Libya possessed centrifuge parts that it didn't know what to do with, and couldn't possibly have turned that into a serious nuclear weapons program without lots of foreign technical assistance. North Korea is in a very different situation. It has enough

plutonium for six to 12 bombs, it has tested them, it has got its delivery systems that are able to deliver weapons of mass destruction. So North Korea is not going to follow the Libya model. Especially if the Libya model involves putting all your stuff in packages and having American military transport planes land at your air field and carry off everything in the next three to six months. As I explained in my remarks, that's not the kind of a strategic choice North Korea is going to make.

MR. PRITCHARD: Do we have any last questions? Or we have one in the back, please.

BRIAN MCFEETERS: Hi, my name is Brian McFeeters from the U.S. Embassy Political Section. I want to direct a question to my friend Paik Haksoon who said a minute ago that it would be better for South Korea to separate inter-Korean relations from the Six-Party Talks.

MR. PAIK: Please, raise your voice.

MR. MCFEETERS: Sorry. Let me start it again. Yes, my question is to you sir, I think you said a minute ago that it would have been better for South Korea to have separated inter-Korean relations from the Six-Party Talks. I just wonder if you can play that out a little bit. What would it mean, say in six months, if there is no compliance with the initial actions agreement? What would that mean for inter-Korean relations? And maybe if there's a reaction from the rest of the panel, how damaging would that be? Would that be a major problem?

MR. PAIK: I think you are focusing on the tightness of connecting inter-Korean relations to Korea-U.S. relationship as a suitable way or a proper way to handle this North Korean nuclear issue. Basically, I have tried to think about solving the North Korean problem that way, but I realized that it didn't work just as Bob Carlin commented. However, I agree with him in many points.

And so my arguments is from this time on, particularly because we now have a divergence in national interests between the United States and South Korea in a sense, because the United States is sort of tolerating North Korea's possession of nuclear weapons. That almost seems like a structural problem there.

But South Korea cannot accommodate that kind of toleration for the survival, not only for the peaceful unification of our nation, but also for the prosperity and survival of our nation in the 21st century. So I think learning from the past experience for the past few years or we can trace back to early 1990s, the first nuclear crisis, I think South Korean politicians should declare that inter-Korean relations should be separated from all the others because that is the, the inter-Korean relations should be the only leverage we can use. If you think of any of South Korea's role in dealing with this nuclear issue, in the hope that North Korea will listen to our demands and anything like that.

I am really serious these days about divergence of national interests between the United States and South Korea.

MR. PRITCHARD: Thank you very much. I think it's time for the very last question that goes to David Straub.

MR. DAVID STRAUB: Dr. Paik, you said again that the U.S. government is tolerating North Korean nuclear weapons. And several of the panelists including myself said that's not the case. I agree entirely with Bob Einhorn. I cannot imagine any American president whether Republican or Democrat, much less George Bush, tolerating North Korean nuclear weapons. I raised this even though it has been discussed several times because it is so important. There have actually been prominent South Korean commentators who have said, the U.S. is abandoning South Korea as proven by the fact that the U.S. has now decided to tolerate North Korean nuclear weapons. Therefore, South Korea should probably have nuclear weapons, too. This is an important issue. And I would like to ask why do you believe that the U.S. is, or in the future would, tolerate in the sense of having normal relations with North Korea which most Americans, Democrats or Republicans, truly believe is an outpost of tyranny? Politically, it is not possible in the United States. So why do so many people believe that this is the case or will likely be the case?

MR. PAIK: David, again, I am pointing to the structural problems we are all in. And my answer to you is a structural dilemma by doing something very drastic action. Talking about all kinds of conditions that we have to take into account when you think of Washington politics. And even though I agree that you don't have any intention to tolerate, but the objective structural dilemma you are in simply do not make anything move forward under the circumstances. So please excuse me for making you confused. I don't think President Bush and others, Democrats or Republicans, have political intentions to tolerate it, but you have to improve the structural condition in order to solve this problem. Otherwise, it is not going anywhere.

MR. PRITCHARD: Alright. What I want to do now is to recognize our two presenters for a fine presentation and their ability to handle the questions that you the audience have given to them. I appreciate that very much. In particular, I would like to thank our two discussants, Ambassador Chung and Bob Carlin for their excellent observations and contributions to this panel. It has been a lively discussion. I wasn't sure it was going to go the full two and a half hours but it has. And I am very pleased with that. And so please join with me and thanking our two presenters and our discussants for their wonderful job.

\* \* \* \* \*