

Center for Strategic and International Studies

Schieffer Series

“North Korea: Next Steps”

**Hosted By:
Bob Schieffer,
Trustee,
CSIS**

**Introduction:
H. Andrew Schwartz,**

**Featuring:
David Sanger,
Chief Washington Correspondent,
The New York Times**

**Sue Mi Terry,
Former Korea Analyst, Central Intelligence Agency;
Former Korea Director, National Security Council**

**Michael J. Green,
Senior Vice President for Asia and Japan Chair,
CSIS**

Location: 2nd Floor Conference Center, CSIS Headquarters, Washington, D.C.

**Time: 5:30 p.m. EST
Date: Tuesday, September 26, 2017**

*Transcript By
Superior Transcriptions LLC
www.superiortranscriptions.com*

H. ANDREW SCHWARTZ: Good evening, everybody. Could I ask everybody to take their seats, please? Good evening, and welcome. I'm Andrew Schwartz here at the Center for Strategic and International Studies, and thank you for being here at the Schieffer Series tonight.

I want to thank our sponsor, the Stavros Niarchos Foundation. They're actually here, which is fantastic. Thank you, guys, for helping us – (applause) – put this amazing forum on for so many years.

I also want to thank TCU, Texas Christian University, and the Schieffer School of Journalism.

This is a terrific panel and I know you want to hear from them. So, without further ado, I'm going to turn you over to Bob Schieffer.

But I do have a little bit of news. Bob and I have a book coming out that comes out on Sunday. It's called – it's called "Overload: Finding the Truth in Today's Deluge of News," and you can get it on Amazon or wherever you get books. And we're going to have a book party here in October, which all of you will be invited to, so stay tuned.

And, with that, Bob Schieffer. (Applause.)

BOB SCHIEFFER: Thank you. Thanks, Andrew. (Applause.)

Well, our topic today is North Korea, something that gets attention at the White House these days when there are not other issues that somehow seem to get in the way. But we're going to try to – (laughter) – well, we're not going to talk football today, we're just going to – (laughter).

We're fortunate to have three real experts on this subject. If I gave you a rundown of their accomplishments, it would take up most of the time that we have today.

So I'll just very briefly say Sue Mi Terry is the BowerGroupAsia senior advisor for Korea. She was a senior analyst on Korean issues at the CIA. She was director on Korea and Japan at the National Security Council, among other government posts. Dr. Terry has also held various important research positions outside government.

Our friend and colleague Michael Green, of course, most of you know, senior vice president for Asia and Japan here at CSIS. He was on the National Security Council from 2001 to 2005. He holds multiple key positions at various universities, such as Georgetown and Johns Hopkins, and he has also been a part of other research organizations. When people talk about Asia, Mike Green's name always comes up.

And finally, our good friend David Sanger, the author and national security correspondent at The New York Times, two times part of a Times team that won the Pulitzer. More recently, I call out, with his colleague Maggie Haberman, the two in-depth interviews that they did during the campaign which gave us the first real fix on Donald Trump's positions, as it were, or thoughts on various world affairs. It was – it was very, very important, I think. He also did a lot of the reporting on the hacking of the Democratic National Committee.

I want to start by quoting from a remarkable article in The New Yorker by Evan Osnos, which he wrote – it was in this week's or last week's edition, I guess – after coming back from North Korea.

He wrote, and I quote, “Our grasp of North Korea’s beliefs and expectations is not much better than their grasp of ours. To go between Washington and Pyongyang at this nuclear moment is to be struck by just how little the two countries understand each other.” He goes on to say, “In 18 years of reporting, I have never felt as much uncertainty at the end of a project, a feeling that nobody – not the diplomats, the strategists, or the scholars who have devoted their lives to this subject – is able to describe with confidence how the other side thinks or what they expect.”

So I would just like to start to hear all three of you sort of comment on that. Sue Mi, why don’t you go first?

SUE MI TERRY: Well, I would agree with that. Just from my own intelligence experience as a CIA analyst from 2001 for about 10 years, the hardest thing to get at is regime intentions.

First of all, North Korea is the hardest target country. We call it hard target country for a reason. It’s the most difficult country to figure out.

And out of that, I think the hardest thing to understand is regime intentions. How do we – because it’s very – and there’s a whole host of reasons why we have a problem getting to understand regime intentions. We don’t have enough human intelligence, it’s the most isolated country in the world, and so on. So I think we are in a very risky situation here where we don’t quite understand them, and I think the regime has a really hard time understanding us at this juncture. They are used to doing certain things and there was a certain predictability from the U.S. government, certain action they’re used to getting. But I think now there is a lot of unpredictability from the Trump administration, so I think there is a lot of question from their side too.

I would just also add that when it comes – I think there is huge debate among the Korea watchers community right now, and that’s because we don’t understand the regime intention. At the end of the day, if everything fails – the pressure measures, sanctions, dialogue – if everything fails and North Korea ultimately achieves this capability to attack the United States with a nuclear-tipped intercontinental ballistic missile, can we live with a nuclear North Korea? Can deterrence and containment – traditional deterrence and containment, that worked with – against Soviet Union – can it work against the North Korean regime? And there is actual debate about this because we don’t quite understand regime intentions.

There are several – there are Korea watchers who say yes, of course, because we live with nuclear Russia, nuclear China, nuclear India and Pakistan, why can’t we live with nuclear North Korea when Kim Jong-un is all about regime survival? There are other Korea watchers who say no, we cannot ultimately live with nuclear North Korea because their end goal is not just survival, but to unify the Korean Peninsula by force. Which means after they achieve this capability to attack us, push U.S. forces out of the Korean Peninsula and then try to unify the Korean Peninsula by force, and they are banking on U.S. not intervening because we don’t want to risk San Francisco for Seoul. But there is a debate. And I don’t think we – we don’t really understand because we can’t get at what Kim Jong-un is really thinking right now.

MR. SCHIEFFER: Mike?

MICHAEL J. GREEN: Well, I felt – when I was the senior official on the National Security Council staff doing Asia and North Korea, I felt like we knew North Korea pretty well because my

main briefer in the CIA was Sue Mi Terry – (laughter) – and you can't really – you can't do much better.

But I agree with Evan Osnos' observation broadly. I think Sue does, too. And it's one reason why I think we should be talking to the North Koreans.

I would caveat that heavily, though, by saying I don't think there's a diplomatic resolution to this problem. I don't think the North Koreans are going to negotiate away their nuclear weapons.

And I also would caveat it by saying I don't think the North Koreans are developing nuclear weapons because we don't understand each other. It's a much – if it were that simple, you know, we would have solved it. It's a much harder problem.

But they – but there is a very different worldview. In one of the negotiations I was involved in, in 2002 in Pyongyang, we confronted the North Koreans with knowledge of their secret uranium enrichment program. They were cheating on the previous deal. And they denied it, and so we had an awkward dinner with no agenda. And so the head of our delegation, Jim Kelly, asked me to engage in a broad discussion with the head of the North Korean delegation, Kim Kye-gwan, on the world situation. So I gave a kind of Georgetown professor how the world looks, which would have been very, you know, conventional and boring to all of you. And Kim Kye-gwan then gave this description of world system in Asia based on Kim Il-sungism. And the amazing thing was this was their number-two diplomat who traveled around the world. He believed it. He really believed that Kim Il-sungism could explain all developments in the world.

So just that fundamental difference in worldview is profound, and why we should be talking, because we need to understand. We need to communicate. But I say that with a caveat that I don't think we're going to negotiate our way out of this one. They're clinging to these weapons for a lot of reasons, and not because we don't understand each other.

MR. SCHIEFFER: You don't under any circumstances see them giving up the weapons.

MR. GREEN: I think – no, I mean, they're – I could give you a bunch of circumstances. But giving them up because of the current pressure we're putting on them combined with diplomacy, I would put it – I don't think it's impossible. It's one more reason to try dialogue. I think the odds are very low, and we can talk about that more.

But among the reasons I say that are the fact that North Korea has cheated on every single agreement it has ever made since they began working on nuclear weapons, and we're talking a dozen different agreements, and did so willfully, with forethought, which we can talk about. Their constitution now enshrines them as a nuclear weapons state. And efforts by the current South Korean government and others to try to get some dialogue going have been rebuffed and rejected. So I wouldn't say impossible, but very, very unlikely in the current circumstances. Later, maybe.

MR. SCHIEFFER: David.

DAVID SANGER: Well, Bob, as you know from past Schieffer Series that I've been on, I'm usually the pessimist in the group. But I'm not sure I can, like, outdo Mike and Sue Mi here. (Laughter.)

So I would agree with what's been said here. And I think that for all that we discuss the irrationality of Kim Jong-un and so forth, I think he has pursued an incredibly rational, understandable policy here. That isn't to say I condone it, but it certainly makes sense – that if he looks out at the world, he sees a few different things.

First, that his grandfather and father started this program but didn't really put enough energy into it to turn it into a real deterrent to the United States. And if Sue Mi's alternative scenario is right that he has a view of it as a way to unify the peninsula or to achieve other objectives in Asia, he's doing the right thing.

The second thing is he looks at a case like Libya, a country that in 2003 gave up its nuclear weapons. They didn't have weapons at the time. They had a series of A.Q. Khan's centrifuges that, when my colleague Bill Broad and I went down to Tennessee to look at them, were still in their boxes. Somebody in the U.S. government, to avoid embarrassing Pakistan, had put black paint over the – you know, from the A.Q. Khan laboratories sign. But this is exactly the same way that North Korea got its enrichment capability, the one that Mike just referred to. And they look at what happened in the case of Libya, a country that we promised to begin to integrate with the West and bring economic benefits to, and did a sort of half-hearted job of that, and then the first time there was an uprising by the Libyan people we moved in with our European and some Arab allies and helped drive Gadhafi from power. And the next time the North Koreans saw him, it was on TV as he was being pulled out of a ditch and being shot. And I think that message sort of resonated, and the answer was don't believe the Americans if they tell you that when you denuclearize they will take care of you. They'll let you rot until you get overthrown. So what he's doing may make sense.

In the interviews that you referred to, then-candidate Trump was in a very different place. He said to me that he would go have a hamburger with Kim Jong-un, that he could strike a deal with Kim Jong-un. He came to it initially with that very transactional sense that he has, that he can make a deal with anybody.

What strikes me about his language now, and particularly his tweets now, is that this is the first case where I think he's persuaded himself that maybe he couldn't make a deal, and that he's got to do it all from the bluster and threats part. Now, maybe that's just a first step, and that he thinks he can intimidate them. As Evans Revere said in a story we had in this morning, the North Koreans don't intimidate terribly easily. And I'm afraid that what's happened in the past week or two is this has moved from a clash between countries to a clash between two different leaders who have significant ego. And neither one of them wants to be seen in front of their own people as backing down. And that's what leads to the kind of very dangerous situation that I think leads to Mike and Sue Mi's pessimism. And I share it.

MR. SCHIEFFER: So what about that? What do you think the impact of the tweets is on all of this?

MS. TERRY: It's very counterproductive. And I think we're giving a gift to Kim Jong-un regime because you're just giving the talking points and you're just showing it to the people. And that's why he was able to mobilize public to protest against this, because the public is already indoctrinated into thinking United States is the most hostile threat, we're out to get them. And all you have to do is play what Trump said – what President Trump said about totally destroying North Korea. And I think another problem is we made it very personal. So Kim Jong-un's statement that came out after President Trump's speech at the United Nations, I've never seen anything like that. I've watched

North Korea. I've followed it for many years. It's never in first person. He signed his name. it was front page of the Rodong Sinmun. Kim Jong-un took it very personally.

So by taunting him like this, I think we're limiting our options because Kim Jong-un has to act. He has to go through with – over the provocations. I mean, he was going to do it anyway, but we're now giving him excuse – even further excuse. And he cannot back down, because now it's his credibility, his legitimacy, everything in his country. For the domestic reasons, he cannot back down. So then what are we going to do? Because North Korea, I 100 percent believe, would continue with trying to complete the program, perfect their nuclear arsenal. They are going to do that. So what are we going to do? Are we going to really act and take military option? It's truly unthinkable option because of all the casualties and so on. Or, do we not act, and look like a paper tiger after saying all of this? So I do think we're boxing ourselves in and not productive.

MR. GREEN: I worry about it for another reason in addition to that. And that is the reason North Korea wants nuclear weapons is regime survival. That's almost a cliché to say. But they also want these nuclear weapons and missiles for the blackmail leverage it gives them. They want to use it to press the U.S. in particular to relax sanctions, to give legitimacy to the regime, to press Japan and Korea to give economic aid, to end our nuclear umbrella over Japan and Korea. I know this because in negotiations that's what the North Koreans ultimately told us.

And by getting in this rhetorical game, what the president is doing is scaring our friends and allies. So he's making it more likely that China or South Korea or the Europeans are going to push him and us to make concessions to avoid war. So he's actually creating leverage for North Korea diplomatically when there should be none. If we're going to have purchase on this problem, if we're going to make progress, I'm very skeptical about the prospects for diplomacy in the near term. But if we're going to have any prospects it's going to be the result of setting the stage with sanctions and pressure, and then especially pressure from China. And China's not going to press unless they see that the U.S. and Korea and Japan are solidly together. And the problem with this rhetoric is it gets those countries to start worrying more about us than about North Korea. So it's not helpful.

MR. SCHIEFFER: So what does he want? What does Kim want? If he could have a wish list – and I think obviously – you know, there are obvious things that we would never agree to. But what do you think his long-range objective is? I think regime survival, I would agree with you, is certainly number one on the list, but beyond that. I mean, does he see his nuclear arsenal as something to use in defense against us? Does he see it as part of his plan – his grandfather's plan to reunite the Koreans? What is his plan? Can we make any kind of certain prediction about that or understanding of it?

MR. GREEN: Well, if I can start, I think his grandfather, Kim Il-sung, saw what happened when the Americans intervened in the Korean War using aircraft carriers and bombers based in Japan, and the power of American air power. So he wants a deterrent and he wants the ability to hit our bases in Japan, of course, Korea and Guam. So it's deterrence.

He is looking at a South Korea that is many times larger, with a Korean who headed the World Bank – who heads the World Bank, headed the United Nations, a widely respected country that trades I think 20 times more with China now than North Korea does. So both Koreas exist – both Koreas exist for the purpose of unification, but he doesn't have a claim anymore. The one thing he can claim the South Koreans don't have is nuclear weapons. And I think he wants them because of a fear of absorption from China. China's also a threat.

And finally, he wants them because his military knows that they have poor conventional capabilities. And so for internal reasons saying: I ultimately can unify the peninsula and defeat the imperialist puppets in the South because I have nuclear weapons is critical. It's hard to know whether that's propaganda or whether they really – they really believe they can unify the South. But the thing about North Korea, is sometimes it's hard to distinguish between the propaganda and what people really believe.

MR. SANGER: But they've learned the lesson of asymmetric capabilities here. So, you know, nuclear has obviously always been one – especially if you're a country as small and poor as North Korea. I mean, the most amazing thing is that we're sitting here talking, not for the first time on the Schieffer Series, about a country of 25 million people and a tiny GDP and, as Mike says, a shadow of South Korea's size. But when you try to think about his own desire to reach out beyond Korean borders, think not nuclear for a moment but think cyber. So we forget it now, because it was three years ago, but the Sony hack was all about North Korea trying to go out and change the way Hollywood was about to go turn out a movie about Kim Jong-un.

Now, let's set aside for the fact that it was a truly terrible movie, OK? (Laughter.) And I can save you two hours of your life right now by suggesting when you go home think of something other to do than to download "The Interview." But it was an amazing event. I mean, here he sees a movie that was basically about a crazy CIA plot to go assassinate Kim Jong-un. They hired two journalists to do it, because Bob and I here know how good journalists would be at that job, yeah? Yeah, right? (Laughter.) And the result is that they go in with an extremely patient, careful hack of Sony, that started in September of 2014 and wasn't executed until right after Thanksgiving.

And we remember it for, you know, the emails about Angelina Jolie, but what was really remarkable about it was it melted down 70 percent of Sony Pictures Entertainment's computer systems. They had to turn out their paychecks by hand the next week, OK? So what's that tell you? He was willing to reach across the Pacific with a weapon that he thought might not be easily traced back to him, attack and icon of Hollywood, and show that he had a degree of power out there. I don't think his father or grandfather would have had that imagination. And I when you look at that, and then you look at the weapons that he's now developing that can reach LA or Chicago, or will be able to in a couple years, you have to begin to think: Is our old assumption that this is simply about survival the whole story?

MR. SCHIEFFER: So, Sue, if we had a negotiation with North Korea, what would we negotiate about? Where do you start?

MS. TERRY: Well, I do see us going through negotiation in terms of trying to reach denuclearization. I know what North Koreans want. I had a chance to meet with North Koreans this summer in Sweden. We had a track two. And they said: Denuclearization is off the table. We are very close to completing the program. We're this close to perfecting our arsenal. Why would we give this up? And to your point, is they talked about Libya, they talked about Gadhafi. He's dead. Look at what happened to Iraq. And also, you – being a democracy – you have change in government. So they talked about we had an agreement, Bush came in, axis of evil, things turned around. So we know we can't trust any agreement anyway in terms of – and look at even what's going on with the Iran deal now. I think they're sort of linking that too, if we backpedal on that.

So they have a rationale in terms of why they have to have this nuclear program. But they said, so forget the denuclearization. That's off the table. We'll never meet for that. But we're willing to

meet to discuss a peace treaty or a peace regime, because the Korean War never technically ended. We are still at war. But the problem is we can't get there. We can't, obviously, get to peace treaty discussion from where we are. And the ultimate goal of peace treaty, honestly is for U.S. – for North Korea to get U.S. to pull out U.S. forces from the Korean Peninsula, because if there's a peace and peace treaty, we're not at war and then what would happen? So, and again, what Mike said earlier, we're going to have problems with verification. How do we – even if there's a peace treaty and they say they will get rid of nukes, how do we verify that? Every single time there was a deal – and we have a lot of agreements. Every single time it fell over verification – it failed.

MR. SCHIEFFER: Mike, what is the relationship between China and North Korea? I did actually talk this morning to Evan Osnos. And asked him this question and he said: There was a time when Mao said we're as close as the tea is to the lips. But he said, he was recently in China, before he went to North Korea. And he asked a Chinese official there if that was still the case. He said, no. It's more like dirt between the toes. (Laughter.) Which is kind of gross, but.

MR. GREEN: With the reference to North Korea as the dirt?

MR. SCHIEFFER: Yeah.

MR. GREEN: You know, Mao's son was killed fighting the Americans in the Korean War. And there is a – still, in the People's Liberation Army at senior levels a nostalgia. There is clearly a fear in the Zhongnanhai among the Chinese leadership about pushing the North Koreans to the point where they might collapse, which China could probably do if they were serious. They provide over 80 percent of the food and fuel to the North. But they're very, very scared of how the North Koreans will react and whether or not they'll collapse, because if they collapse you have a million-man army, chemical, biological, nuclear weapons, separated by the Yalu River from 5 million ethnic Koreans in the rest belt of China, with the potential of a Korean Peninsula being unified under an American ally right on their border. And so that's part of the problem we have with China.

But Xi Jinping has done everything he can in terms of protocol to humiliate Kim Jong-un. He's never invited him. He's had multiple summits with South Korean leaders. On Weibo and among the Chinese public, North Korea's deeply unpopular. In China you can apparently feel the tremors from the North Korean nuclear blasts. There are active volcanoes. So there's no love lost. But China, I think, is paralyzed by fear of what will happen if they do what we would really like them to do to control and really squeeze the North. They're doing more. I think China is doing more than it ever has. But they're still deeply, deeply afraid of pushing the North too far.

MR. SCHIEFFER: But I think, to underline what you have just said, it's a very important point. There is no love lost between the two.

MR. GREEN: No.

MR. SCHIEFFER: In fact, I have been told by – that some in North Korea see themselves as simply a bargaining chip between the United States and China. And they don't like that.

MR. GREEN: And they worry very much about that. They also, we have to remember 2,000 years of history between the Korean kingdoms and China. Koreans often point out that Japan invaded Korea three, four times. But China invaded Korea, depending on your historical accounts, 600 or 900 times. So it's geopolitical and its historical. It's not just the current problem.

MR. SCHIEFFER: David, let me ask you, how close do informed people think the North Koreans are to having an ICBM that could reach the mainland of the United States?

MR. SANGER: Oh, real close.

MR. SCHIEFFER: Real close.

MR. SANGER: I mean, I don't – if you look at their last two ICBM tests, they did the distance. They just did it very vertically instead of flattening it out. And then when they did their most recent test, they flattened out a medium-range missile to show that it could make it the distance to Guam. It's just a matter of time before they do an ICBM test that they also flatten out. But they want to be careful that they don't hit something wrongly. It's not just distance, though, that this is about. There are basically three different things you have to be able to go do, three or four.

One is have the missile be able to go the distance. Secondly, have a nuclear weapon that you can shrink down to the size you can fit into the warhead, and make it light enough that you're not cutting into the distance that that warhead goes. Thirdly – and this is the one they haven't proved – they have to show that it won't burn up on reentry into the atmosphere. An ICBM leaves the atmosphere and comes back in. This took the United States years in the '50s to go figure out. We burned up a lot of stuff before we did this. And then the fourth thing is, you need to prove at least some level of accuracy and ability to detonate a weapon as it's being released, as the warhead is coming down. So far every test they've done has been underground.

So that's what made this test last week to do an atmospheric test so particularly chilling. Because if they do that, they would probably do it – they wouldn't do it the way we used to do them, which was largely put a weapon out on a barge and set it off in, in our case, the Bikini Atoll. They don't have any outside islands to go do this with. So they would probably launch it on a missile and see if they could make it detonate. The United States and the Soviet Union agreed in 1963, just before Kennedy was assassinated – just weeks before – that they would never do that again. And they haven't. The Chinese were the last ones to do such a test. It was in 1980. So it's been 37 years.

And I think this would pose a huge problem for the Trump administration, because if you actually saw a weapon being loaded up on a launch pad in North Korea, first, you don't know exactly what it's aimed at. Secondly, let's – you'd have to assume they were getting ready to go do their atmospheric test. So even if it missed Guam, the belt of radiation that would be created could go over Guam or hit some other populated area.

And so it would be a very tough decision about whether or not to do a preemptive strike, even if it was limited to taking out that one missile on the pad, or whether you would try to knock it out with missile defenses, which means that you take the risk that your missile defenses don't work. And the reason that President Obama ordered the cyber strikes on the missile program starting in 2014 was because he wasn't very confident that our kinetic systems were hitting these warheads as they return then to Earth was terrible good.

MR. SCHIEFFER: Mike or anybody else who has information, someone told me this afternoon that while the United States won't say that, that actually that might be the red line, that when we – we would not stand for them having an ICBM that could reach the U.S. mainland with a nuclear warhead on it.

MR. SANGER: I think Obama said it at one point.

MR. SCHIEFFER: And it would not burn up coming back into the atmosphere. That that would need to be – this is where we say you can't do that.

MR. GREEN: I mean, part of our problem is that we – the United States across many administrations – have put out a variety of red lines. And as my old boss, Steve Hadley used to say, if you keep drawing red lines eventually you're making a red carpet. And there are, I think, red lines. We have to be careful about how we articulate them. One red line was the North Koreans in 2003, and I was in the meeting, threatened to transfer their nuclear capability to a third country, trying to intimidate us. That's 2003. In 2007, the Israeli Air Force destroyed a Syrian reactor that was being built by the North Koreans. So transferring is a red line.

A shot in space. In addition to what David said, the EMP, the electromagnetic pulse effect, could be hugely damaging. That probably is a red line. So we don't know exactly what the red lines are. And that is –

MR. SCHIEFFER: But we – that's probably a good thing, right? I mean, we wouldn't want to make that public, right?

MR. GREEN: Well, but here's – this is one of the tough calls. Do you draw the red lines or not? And the North Koreans are going to try to guess where that red line is and drive right up to it. And the danger we now face is that Pyongyang will think because it has this capability, we'll be deterred and they'll have a lot more room to do things, like testing in the Pacific or what they did in 2010, sinking a South Korean Navy ship in the West Sea, or cyberattacks. And we've criticized the administration.

I think the administration was right to send B-1 bombers off the North Korean coast, to do a lot of the military steps they're doing, because we need to demonstrate that we are not going to be intimidated, that we are going to respond if they try to do these attacks that we think – that they think we might be afraid to respond to because they have nuclear weapons. That's the sort of dangerous new world we're in. And I don't know what to say about red lines, because you want them to be deterred but you don't want to tempt them to drive right up to that red line and test you.

MS. TERRY: It seems to me – I mean, just a little difference here. I think North Koreans know, for example, proliferation of nuclear weapons is a red line.

MR. GREEN: That's true.

MS. TERRY: Because we've been saying that for a while. They just have this sense and they know it. I'm not sure about this thermonuclear test over the Pacific Ocean, because you're not really killing people, you're not really – there's no – I'm afraid that they will – because we ourselves are not sure, is that really a red line? So we don't know. I don't think North Koreans know. And I'm thinking that they could potentially test a thermonuclear weapon over the Pacific, but not, yeah, transfer the nuclear weapons. So I think it's a very tough question, because they themselves are trying to figure out what our red line is.

MR. GREEN: This is why you don't want to be communicating these things by Twitter.

MS. TERRY: Yeah. Right.

MR. GREEN: And why you do need a quiet – and it may be happening; I don't know – but you do need a quiet, confidential channel, not because you're likely to talk the North Koreans out of this but because these kinds of things you don't want misunderstanding.

MR. SCHIEFFER: Obviously there could be some accidental start of this. And once it starts, who knows where it ends. But what is the – what is the most dangerous thing right now? What is the thing that we have to be most careful about? Is it that perhaps South Korea might launch a missile? Is that –

MS. TERRY: No, South Korea will not under this current administration launch a missile.

MR. SCHIEFFER: They would not.

MS. TERRY: No. Yeah, go ahead first.

MR. SANGER: I was going to say, and my biggest fear is something that should be small and contained escalates. So yesterday you heard the South Korean foreign minister – I'm sorry – the North Korean foreign minister say that they would now consider American war planes, even if they're not in North Korean territory, to be a fair target. Now, this has happened before. In 1969, the North Koreans shot down an electronic surveillance plane – an American electronic surveillance plane. Killed 31 people, mostly Navy servicemen. Imagine in this situation, with this set of leaders, that that same scenario took place. Nixon decided in the end not really to respond. I mean, he reinforced and so forth, but there was no military response. There was no military response to the seizure of the Pueblo.

I'm not sure under these conditions that would be the case. And then I could imagine us getting onto an escalatory line. Supposing the North Koreans decided that they weren't going to confront us over the sea, but since they have a significant cyber capability they were going to blackout a major American city to say: You want to play games with reaching us? We can play games with reaching you. We don't know how this administration would react to an offensive cyber action. In the Sony case, President Obama did some minor sanctions I doubt the North Koreans ever saw. So part of this is our own lack of understanding about what the Trump administration would do in response.

MR. GREEN: So I – if I can pick up on that – I think David's right. For me, the threat to U.S. Air Force is not so serious. I mean, 1969 the difference between the U.S. Air Force and the North Korean Air Force was maybe this. Today it's not even close. They don't have flight time, our technologies –

MR. SCHIEFFER: Their planes are, what, 10 years old?

MR. SANGER: They're 30 years old.

MR. GREEN: And they barely can fly them. So that's – but there are scenarios. And cyber is one. Another one is – though Sue is right, the current South Korean government is much more risk-averse and much more pro-engagement and suspicious of the military than the previous government, nevertheless Moon Jae-in, the president, kept the same rules of engagement his predecessor had for the South Korean military. Meaning, after the North Koreans sank the South Korean ship in 2010 and

them bombed an island, killing two civilians, the South Koreans put in place standard rules of engagement that if they get hit like that they hit back one level higher. If they get hit by a missile, they hit the headquarters. And those are still, I believe, the South Korean military's standing orders.

So probably not shooting at our planes, but there are a number of scenarios – cyber, the South Koreans, maybe a scenario involving the Japanese. Which is why we have got to be really in lockstep with our allies. And we're not with South Korea right now. You know, the administration, for example, is threatening to pull out of our free trade agreement with Korea, and things that are very disruptive when we really need to be knit together.

MR. SCHIEFFER: I'd like to hear from all three of you, how are we, as you say, threatening to pull out of the trade agreement with South Korea. But let's kind of go around the Pacific here – Japan. How do our allies feel about all this? And what's the feeling in that part of the world about this. Sue, what do you –

MS. TERRY: Well, let me just speak from a South Korean perspective. I know foreign minister came here and said wonderful things about our alliance and so on, but there is high level of anxiety in South Korea by almost everybody, because of this kind of rhetoric coming out of Trump administration. And but also in Korea during summer the hottest buzzwords were Korea passing. So, and different people are worried about this for different reasons.

The more conservative, hawkish folks are worried about U.S. and somehow China making some sort of deal about North Korea. Or the progressives or some other folks are worried about U.S. unilaterally acting on North Korea without consulting North Korea. So they're worried about U.S. unilateralism. They're worried about Korea passing. And it's not helpful with this kind of putting on the free trade agreement or sort of saying that South Korea is not paying enough of the burden of defense for shared burden sharing and so on. So I think there's a high level of anxiety at least in South Korea.

MR. GREEN: So, I mean, the polls show our president is not very popular in Asia. He's more popular in Asia than in Europe, but he's not very popular. And as Sue said, there is anxiety. You know, they're all watching this rhetoric and it's – you know, the first bombs to fall are going to be on Japan and Korea and then in the region. On the other hand, you know, last summer in Australia there was a poll done before the elections and Australians were asked, if Donald Trump becomes president, what should Australia do. And over half said pull away from the U.S. Same question two months ago and the answer was overwhelmingly stick with the U.S. Same in Korea. A year ago, a poll said if Donald Trump wins, what do we do? Pull away from the U.S. A recent poll from, I think JoongAng Ilbo: Stick with the U.S.

In Japan, I think in Australia to a significant extent, to some – to the Korean defense ministry, I think they have quite a bit of confidence in General Mattis at the Pentagon, in Harry Harris, our Pacific commander, and McMasters at the White House. And I would even say have more confidence in them in this crisis than they do in the previous Obama team. But it's what's happening at the top that's creating a lot of anxiety.

MR. SCHIEFFER: David?

MR. SANGER: So I think one of the interesting proxies for measuring this is what discussion do you hear about their need to go off and get their own independent nuclear deterrent? So this is sort

of a constant issue. When Mike and I were in Japan decades ago this was discussed at various moments. Hasn't made very much progress. But what strikes me is that in South Korea, which tried twice, actually, to start such programs in the '70s and '80s, you now hear that from a lot of different political sectors, except President Moon. In Japan, you don't hear it very much at all. And of course, it's Japan that's got the greatest capability to go to it.

One of the most striking lines in those interviews that you mentioned at the beginning that Maggie and I did with President Trump came when I asked him whether he would be unhappy if Japan and South Korea went off together on nuclear weapons. And he said: Well, I think it's going there anyway, don't you? And I don't know if his view has changed in the year since we did those interviews, but I suspect that that was probably his gut feeling, that that probably is where it's headed. And that's why there was this little flurry of discussion about whether we should put our tactical nuclear weapons back on the Korean Peninsula. I don't think that's going to happen. The Pentagon doesn't want to have it happen and there's no place in North Korea you can't reach from a bomber in Guam or from a missile in Nebraska.

MR. SCHIEFFER: All right. So let's have some questions from the audience. And let's see, this lady right here.

Q: There are two –

MR. SCHIEFFER: Ma'am, here comes a microphone.

Q: There are two things – Pat Bergstresser.

There are two things that I have yet to see discussed. And one is that the ruler of North Korea studied in Switzerland. Could Switzerland play a part in terms of reducing this rhetoric? And the second thing is the effects of these missiles and bombs on the planet. When the missile flew over Japan and exploded near Japan, they had an earthquake, first one. North Korea's had an earthquake from when they had the underground explosion. Then there was another missile that went over Japan and exploded in the sea. There's a ring of fire, the Pacific Rim basin, and now we have an earthquake in Central America, two in Mexico, two small ones in California. Cause and effect, I mean, it just seems to me that there might be a correlation. And I don't understand why people aren't discussing these issues.

MR. SCHIEFFER: Well, I'll tell you, this is something that I know nothing about. (Laughter.) I mean, if you're looking for an expert on that I'll leave it to the rest of the panel. Does anybody – is there a connection here? Or who wants to talk about that?

MS. TERRY: Well, I'll talk about the Switzerland piece. (Laughs.)

MR. SCHIEFFER: Which is a very good question.

MS. TERRY: I think when Kim Jong-un came to power, there were a lot of people who were hopeful that at least he was educated in Switzerland, the West, so that he would change, he'd be more reform-minded, and pursue that course. He's proven to be that's necessarily the case, that just because he was educated in the West doesn't change course. I mean, you've seen, I think Pol Pot was educated in the West, right, and we saw too. Basically, for North Korea, North Korea is bent on – it has its own strategies, its own goals. We cannot even get China to really pressure North Korea. I don't think

Switzerland is going to play that much of a role. North Korea has its own strategy. And the biggest player if any in the international region that can do anything about North Korea is really China. That's why we like to focus on China, to get China to do more to reign in North Korea.

MR. GREEN: I don't think that – oh, I'm sorry – I mean, I don't think the Swiss really have a role here. I mean, they do in some circumstances. The U.S. interests are represented by Sweden, which has a procedural role and we have dialogue. But ultimately, there's a long list of countries volunteering to broker between the U.S. and North Korea. That's not the problem. I think the U.S. should be talking at some level.

On the earthquakes I am even less qualified, but this is – you know, in the area, people are asking and debating about this, especially in China. It's one of the reasons, as I said, that the Chinese public is pissed off at North Korea.

MR. SCHIEFFER: And there was a gentleman right behind you there. Yes.

Q: Peter Humphrey. I'm an intel analyst and a former diplomat.

One tests a missile for two reasons: To make sure the engineering of the missile itself is copacetic and to see what the accuracy of the landing point is. So every time we let one of these things fall into the ocean, we're giving Kim Jong-un a free data point on his accuracy. So I got to ask, why aren't we routinely practicing with our own AVM systems to knock down these test missiles one after another? We may miss half the time, we'll get better through time, but it seems that policy change has to be made.

MR. SANGER: This isn't as easy as it looks. (Laughter.) We have two major kinds of AVM systems. The one that you hear about the most is the one that's in Alaska and California. They're designed for intercontinental ballistic missiles. And they're supposed to do the intersection as the warhead is reentering the atmosphere and coming down in the U.S. So this is what you hear the bullet with a bullet, OK? Under ideal testing circumstances, when they go test these things – they did one just a month or so ago – and you know roughly when the test is going to happen and the rough direction it's coming from. In the ideal circumstances, it works half the time. So one way you could improve that is throw all the missiles you have at it. And we only have 44 set up right now. I think it's 44 or 46. So you don't want to get into a situation where the North Koreans, by prompting your missile defense, learns a lot about what it can and cannot do. And you don't want to go through the embarrassment of having it miss.

The second missile – kind of missile system we have are based on ships. They're on the Aegis destroyers and so forth. We've got a lot of those. They've got a higher accuracy rate, but they've got to be in the right place. And that's why it's sort of interesting that recently the North Koreans started launching from near the Pyongyang airport. They usually launch from a remote area off the coast. And part of that was to say we can move these around. We've got mobile missiles. And they have a lot of mobile missiles now. But the second was if you think you're going to do a preemptive action and just take something out and not kill a lot of people first, we're here to tell you we're going to do this from our most populous city, thus complicating the preemption decision.

MR. GREEN: So the THAAD system we just deployed in South Korea has hit 100 percent since the new system was developed.

MR. SANGER: But it's aimed at very short range –

MR. GREEN: A hundred percent. And Aegis is more like 70 percent. However, where David's right is they are designed for defending a certain geographic area, not the entire Pacific Ocean. That's the problem. So the other technology that is within our grasp is boost-phase intercept, hitting it in the first minute of launch, which involves lasers and other things, which if we wanted to invest the money it's technologically feasible. And that, I would expect, is going to be a focus for the Pentagon, for the reasons David said.

MR. SCHIEFFER: You know, and that also raises another interesting point. These missiles are very expensive, not just the ones that we make but the ones that they're making. Do we believe that North Korea is getting some kind of financial help from maybe Russia, maybe Iran to do this? Because this is an enormously expensive program they've got. And firing these missiles is very expensive.

MR. GREEN: Well, as David mentioned earlier, the uranium enrichment program, one way to build bombs, they got help from Major Khan in Pakistan. China initially, under Mao Zedong, helped them develop technology. There's circumstantial evidence that I think is more than a smoking gun that over the years on missile development they've had help with Iran. I'm waiting for David Sanger to find that smoking gun, but I –

MR. SANGER: And they've worked in both directs. I mean, initially the Iranians were helping the North Koreans. I think there's a sense now that, you know, it's in – both ways, yeah.

MR. GREEN: And they – the North Koreans get cash through a variety of means, mostly illicit. We should, I think, commend the administration for the executive order last week, which gives the Treasury Department the authority to sanction any North Korean individual or entity, which is an important tool to stop that money flow because the earlier authorities, you know, we can get this company or that company, and they'd just change the name. Now I think they have, if they want to use it, a real tool to start squeezing some of that money flow.

MR. SCHIEFFER: All right. Next question. Back in the back there.

Q: Thank you. Hi. I'm Kya Palomaki. I'm a graduate student at George Washington University.

It seems to me that there's a difference between Trump the person and the Trump administration writ large, when there's statements – official statements coming out of the White House versus these kind of erratic tweets. So I was wondering how our allies can know which one to trust when there's conflicting information, and if that's becoming – if you see that becoming an issue now and in the future. Thank you.

MR. SCHIEFFER: Whoever would like it.

MR. SANGER: Well, one of the striking things is that you've had Secretary Tillerson and, to some degree, Secretary Mattis say: We are not out there to do regime change. And then you have the president's tweets come out saying we will destroy your country, you won't be there anymore, things that sound a little like regime change. (Laughter.) And I've had more than a few diplomats say to me: Which one of these are we supposed to believe?

And I have to say to them in all honestly, I believe the tweets, because I think that more reflects where the president's mind is, even if it is unfiltered, and gives you a sense of where he's headed. But this has been difficult, because if you're – the message that you're trying to consistently send to Kim Jong-un is that you can get into a negotiation with us because we are not out to change your regime, I'm not sure the tweets – as Sue Mi said before – help.

The second dissonance has been General McMaster's reference on various occasions to conducting a preventive war – not a preemptive war, but a preventive war. A preventive war is we're stronger, we go in to wipe you out before you can attack us. Preemptive is we see you about to launch something and we take it out. That's shaken a lot of allies as well, who wonder whether the United States would just one morning go up and launch a war. Now, the other way to think about this is General McMasters, in a very savvy way, is trying to introduce a level of unpredictability here, to tell Kim Jong-un: You're not the only one who's going to be the master of surprise.

MR. GREEN: It used to be that as an Asia expert at CSIS or Brookings or Carnegie you spent all your time reading the tea leaves of what, you know, the Politburo or Standing Committee said in China, or what the Japanese foreign minister meant. We now spend all our time answering these kind of questions. (Laughs.) Trying to do the criminology and interpret what to believe. I think there is some cohesion to it beneath everything we've said. There is no doubt that diplomacy is only effective when it's backed by credible force and coercion. In my own experience in negotiations with the North Koreans, no matter what you thought of the Iraq War – you could ask anyone who was involved – during the Iraq War we made the most progress diplomatically with North Korea than we ever made in the eight years I was there.

And that's – this isn't a commentary on the Iraq War, but my point is the North Koreans recognize the threat of force and coercion. That's how they operate. So there is some logic to this good cop-bad cop approach, I would say. What I don't understand, to be very honest, is whether the administration really thinks that their coercion is going to lead to a negotiated outcome or whether they're just saying it. So David's wondering if they're serious about preemption or preventive war. Probably not. I can't understand really, maybe David can, whether they really think that Kim Jong-un is going to cry uncle and start negotiating with Rex Tillerson. I'm skeptical. I think Sue is skeptical.

MR. SCHIEFFER: All right. Let's – this side of the aisle here. How about way over there?

Q: Hello. Thank you for coming. I'm Robert Lanza (sp). I'm a private citizen.

I wanted to ask about two New York Times articles, one of which had to do with the availability of rocket fuel for the North Koreans, and the other one having to do with the allegation that they obtained missiles from a factory in Ukraine. If you could comment on both of those.

MR. SANGER: Well, since I was a co-author of both of them, I guess I can't dump these on my colleagues.

So the missile design they've been using for these long-range missiles uses an engine that was familiar to people once they saw the photographs of it. And we got the photographs of it, in part, because the North Koreans were distributing pictures of Kim Jong-un viewing the missiles when they were still in the factory. And one of these was a Russian-designed missile that had some – engine – that had some modifications to it. And when you went back and looked at where that engine had been made, it took you back to a factory in the Ukraine that went – that was last producing them in the

Soviet days. And there's been some really interesting and good work done on where else I could have come from.

So it seems as if either the engine itself or the design work came from there. It may have gone through other hands, including Russia. And some of these may have been stored in Russia for many years. But originally we know what facility they came out of, and what design area. We also know that some North Koreans were arrested. They'd shown up – the Ukrainians has been showing them off in jail – because they were trying to steal designs from this same factory complex.

The second story dealt with the fuel. And the fuel is a relatively – this is not ordinary fuel that you would put into your car or home heating oil or whatever. This is rocket fuel. And it's only made by a fairly small number of countries. And the U.S. makes a bit of it. The Germans make some of it. The Russians did and are starting up again. And China makes a lot. And so one of the big questions was, why wasn't the U.S. focused earlier on cutting off the flow of that fuel? Now, the intelligence community believes the North Koreans now could probably make it in North Korea. They still need to get some of the precursor fuels from it, ingredients from it, from elsewhere. And that almost certainly comes through China.

MR. SCHIEFFER: All right. Last question. Who really thinks they have a question that – all right, right here. (Laughter.) You're getting a recommendation from the person next to you.

Q: I'm probably the only one in the room – one of the few in the room who remember the Pueblo. I worked for a year in Seoul, Korean in the foreign service to get them back. And one thing – and as you may recall, we signed an agreement apologizing. But we told the North Koreans at the same time, look, we're going to rescind this. But it was a matter of face that was important. And now move it up. We have in effect two nuclear powers here, both of whom have a lot of personal face that's involved. So let me ask – let me just ask a naïve question. We're in Korea originally because of the U.N. And we talk about, you know, quiet, confidential talks, and so on. Is there any role for the secretary-general to step in – step in here and get something done? And perhaps he's already doing it, let us hope.

MR. SCHIEFFER: Sue Mi, why don't you?

MS. TERRY: My take is no, because North Koreans are very clear about who they want to deal with as the United States. It's not about South Korea. It's not United Nations. And even South Koreans are desperate, for example, to have a dialogue, to have an engagement with North Korea. They've already – President Moon has sent a couple overtures. But North Koreans are insistent that United States is the only partner that they want to deal with, or opponent, for any kind of negotiation. And again, the negotiation is no longer about nukes, but something else and beyond.

MR. SCHIEFFER: Do you guys want to?

MR. GREEN: Look, as you know, we're technically still in a state of war with North Korea. We're only at peace because of an armistice. And the U.N. is a party to that war. We have a U.N. command, as you know, in Korea. I don't think the secretary-general can play a role. The U.N. development program, other parts of the U.N. engage the North Koreans a big, which something is helpful. But the Security Council itself is going to end up playing a critical role up in all of this. It's done it now because of sanctions. And we haven't talked about this, but sooner or later this regime is going to collapse. And when that happens, the United States, China, Japan, Korea, Russia – we're

going to return to the basic diplomatic framework we created in the 1950s and have to decide what comes next.

And at that point, I think the U.N., particularly the Security Council, is going to be the place where a lot of the action happens, where we diplomatically find a way to avoid a new world without North Korea, where the U.S. and China are enemies. And instead, trying to find a way where the U.S., Japan, China, Russia are all working together. When we started the six-party talks in 2003, part of our purpose was to start laying the groundwork for that kind of dialogue among the major powers, tactically to do with the North Korean nuclear problem, but beginning building the diplomatic connections so we were ready for whatever came next. And I think there will be a next chapter beyond the one we're now talking about.

MR. SCHIEFFER: All right, that seems an appropriate place to stop. Thank you all very much. (Applause.)

(END)