

Center for Strategic and International Studies

TRANSCRIPT

## The Impossible State

### **“Stalled Outreach and the Way Forward: Live from Georgetown University”**

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SPEAKERS

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Andrew Schwartz: North Korea is the impossible state. It's a place that's stumped leaders and policymakers for more than three decades.

[Norah O'Donnell via news clip]: The president of South Korea, Moon Jae-in, is coming to the White House to meet with President Trump and you. Will you agree to some easing of economic sanctions to continue the momentum on these talks with the North Koreans?

[Sec. Pompeo via news clip]: President Trump has been unambiguous. Our administration's policy is incredibly clear.

Andrew Schwartz: It has a complex history, and it has become the United States' top national security priority.

[Norah O'Donnell via news clip]: Will there be a third summit with North Korea?

[Sec. Pompeo via news clip]: I'm confident there will be. We came out of Hanoi with a deeper understanding of each other, the positions that the two sides had, the two leaders were able to make.

Andrew Schwartz: Each week on this show, we'll talk with the people who know the most about North Korea. In this episode of the Impossible State, we recorded live from the hilltop of Georgetown University. Joining me was CSIS's Victor Cha as always, and Sue Mi Terry, along with Kelly Magsamen. Kelly's the vice president for National Security and International Policy at the Center for American Progress. Previously, she served as assistant secretary of defense for Asian and Pacific security affairs during the Obama administration.

Andrew Schwartz: Along with the students at Georgetown, we discussed the upcoming summit between South Korean President Moon and President Trump, and the prospects of a third Trump-Kim summit.

Andrew Schwartz: There's nowhere I'd rather be today. I want to thank Dr. Victor Cha for hosting us here at Georgetown University. It's always great to come over to the hilltop and see all of your terrific students and see what's going on campus. It's a little quieter on campus today. I don't know, I think everybody was watching the national championship game last night, right, and seeing UVA win. So that was pretty cool, but it's a little south of here. We need to bring the national championship in basketball up to DC, and I know that's going to happen sometime soon while you guys are in school here.

Andrew Schwartz: One of the things about Kelly that's really cool is she is now at American Progress, and she works over there with my good friend Whitney. That's very cool.

- Andrew Schwartz: Sue is commuting back and forth between New York and DC all the time, dropping wisdom in DC, dropping wisdom in New York. She's in the two best places to be.
- Andrew Schwartz: We're on the eve of something pretty interesting happening here in Washington. It was interesting how, Victor, we're always talking about "oh, you know, Sue just did Korea stuff at the CIA, and Kelly worked on east Asia at DoD." I mean, that's going to be you guys in a couple years. Somebody's going to be talking about you that way, that you just happened to work on Asia policy at CIA. It's like, just flip it out that casually. Victor just happened to work on Korea at the White House.
- Andrew Schwartz: We use this stuff casually here in Washington, but when you're committed to public service the way the three of my colleagues are here, they could be doing anything in the world. These are the kind of people who could be doing anything in the world. You're the kind of people who could be doing anything in the world. So you have a great example sitting right here are in front of you.
- Andrew Schwartz: We're on the eve of President Moon's visit to Washington tomorrow and Friday to talk to President Trump that there should be some ... He's going to try to convince Trump that there should be some easing of sanctions of North Korea. What do you think's going to happen, Sue?
- Sue Mi Terry: Well, I think President Moon has to do this very, very carefully. Even though South Koreans absolutely want easing of sanctions because in the Hanoi summit, this is why the whole thing fell apart, right. Because North Koreans are asking for sanctions relief, and we were not ready to give it to the degree that the North Koreans wanted it. We were ready to give Peace declaration. We were ready to open a liaison office, but that's not ultimately what North Koreans wanted.
- Sue Mi Terry: So this is a sticking point, and the South Koreans I think really do want sanctions relief for the North Koreans because they are very committed to moving this dialogue forward. However, they have to be careful not to push President Trump too far in this because this is not where the White House is at. This is not, obviously, where the Trump administration is at right now. So I think President Moon has to do this very delicately, in a balanced way.
- Sue Mi Terry: At least the South Koreans are saying now they are here to listen to President Trump, what he has to say, to see what his frame of mind is. South Koreans used to just meet with the North Koreans and then come to Washington, but they kept looking like they were spokesmen or defending North Korea or being a spokesman for North Korea. So

now they're trying to do a little bit differently. They didn't rush after Hanoi summit to meet with Kim again. President Moon didn't do that. They didn't send an envoy to North Korea. They are coming here first.

Sue Mi Terry: So let's see what happens on Thursday. They're having a working lunch. But again, I think this is a very difficult spot the South Koreans are in. They know it, and they know this is a very critical meeting.

Andrew Schwartz: Kelly, what do you think?

Kelly Magsamen: I agree with Sue, although I have to say, I think President Trump and his administration may not entirely be on the same page when it comes to sanctions and sanctions relief. I think, was it two weeks ago when the Treasury Department made announcement on additional sanctions, and the president came out and said, "No, we're not doing that." Then there was a big effort by the White House to create a cover story for how that happened.

Kelly Magsamen: I think President Trump wants to see progress on this issue, continued forward progress. I think it's a winning issue for him. I think with the American voter, as long as they see dialog happening, they're pretty satisfied with what's going on in North Korea. I think he kind of understands that political dynamic where maybe John Bolton and others in the administration may have a much tougher view.

Kelly Magsamen: I agree with Sue that the South Koreans have to be careful as they approach the administration at this stage, but I also think there's some disagreements within the administration that may actually wear down to the benefit of President Moon.

Andrew Schwartz: You bring up most Americans who consume news in a fairly casual way. The only foreign policy story they see on television is North Korea, so that's the only thing they really see the Trump administration engaged in, and you're saying that within the Trump administration, his team isn't exactly agreeing on the way forward.

Kelly Magsamen: Yeah, I think that's right, and I think that's a division that the North Koreans can exploit, obviously very easily, as we proceed, the Chinese can exploit. I think the division's not necessarily a positive thing, but I think there is some disconnect between the president and his team on the direction of the diplomacy.

Kelly Magsamen: I think that the president is going to want to see continued dialogue between South Korea and the north. I think he's going to want to support inter-Korean efforts. Where the rubber meets the road is how that happens with sanctions relief or other opportunities.

Andrew Schwartz: Victor, where are you on this?

Victor Cha: To me, this is like, so we're now entering the spring, right. My son is in high school. It's prom season, right?

Andrew Schwartz: Yeah.

Victor Cha: My son is the South Korean leader, and I'm Trump, and he's bringing his girlfriend, who is Kim Jong-un.

Andrew Schwartz: Oh man, okay.

Victor Cha: Bringing his girlfriend home to meet his parents.

Andrew Schwartz: I'm assuming his girlfriend has a better haircut than Kim.

Victor Cha: Yeah, yeah, yeah.

Andrew Schwartz: Okay.

Victor Cha: The issue is that you want this meeting to go well between your significant other and your parent. You really want it to go well, and that wasn't what Hanoi was. In Hanoi, the South Korean president was sitting there waiting for this meeting to go really well. They'd make an agreement, and then he could move forward with all of his plans. The meeting didn't go well. They didn't reach agreement.

Victor Cha: So now Moon is coming, it's like my son coming to me. Moon is coming to the United States to try to talk to Trump to see if he can salvage something out of what was essentially a failed summit. I mean, they spoke about it very positively when they left Hanoi, right. They said the dialogue is going on, we learned about each other's positions, but all of us have been involved in planning summits. When it ends the way it does in Hanoi, that is a failure. That is a huge failure. You don't have a summit meeting to fail. You just don't.

Victor Cha: He's really trying to pick up the diplomatic pieces here, see if there's a way forward, and he has a lot invested in this. Not just in terms of the US-North Korea relationship, but in terms of his own domestic situation because this may be the only diplomacy for the United States right now, and I think that's right, but it's really the only diplomacy for South Korea too. So he really can't afford to have this fail, but he doesn't have complete control over it because he's trying to bring these two people, these two countries together.

Sue Mi Terry: I think it's absolutely true. The problem is that President Moon is 100% all in on North Korea policy. That's his entire ... what they've been doing.

Andrew Schwartz: He's all in.

Sue Mi Terry: Yeah, he's all in on this, and this month I think is the anniversary of the Panmunjom Declaration. So he have nothing to show for it after a year after the Panmunjom Declaration, and I think next month is the second-year anniversary of the Moon inauguration. So he's been in office for two years, and there's also again nothing to show for it. If this goes south, I absolutely agree with Victor on this, it's not good. So this has a domestic implication for South Koreans.

Victor Cha: Just for context, the government in South Korea, it's a progressive government. It's sort of a left of center government. When we say progressive in South Korean politics, we don't mean a pro-choice, pro-gay marriage. We mean pro-engagement with North Korea. That's what we mean.

Victor Cha: So this guy came into office almost two years and has been fully devoted both ideologically and in every other way to improving relations with North Korea and made substantial progress. You remember during the winter Olympics, all of you remember that. But now it all looks like it's starting to, all the threads are coming apart. It's starting to fall apart. So this is his last shot, really, because if you think about it in terms of the calendar, after this, we're already into campaign season, right. I don't know. It's hard for me to imagine that President Trump's going to risk a third summit that could, again, fail.

Victor Cha: For the South Korean leader, he doesn't have an election next year, but the legislature has an election next year. It's a very important election because that will be seen as a referendum on the South Korean president's tenure in office. In South Korea, you only have one five-year term, right. So usually that midterm election, if you do not do well in that midterm election, you're basically a lame duck for the rest of your time in office, and you leave office with the lowest popularity ratings ever, like every South Korean president has gone through.

Sue Mi Terry: Just a little bit further context in terms of South Korea's foreign policy, there is a criticism that there's not much happening with China. He has not been doing much about anything else. Japan-Korea relations is at the lowest point right now, but that's a whole separate topic. Domestically, economically, there's a lot of issues that the South Koreans are complaining about. There's unemployment, there's all

these issues that he has not really taken of. So again, he's 100% all in on North Korea, and he has to make progress.

Kelly Magsamen: I guess I'm a little bit more optimistic about ...

Andrew Schwartz: Really?

Kelly Magsamen: I know, it's shocking. North Korea, optimism, usually not in the same sentence.

Kelly Magsamen: I'm a little bit more optimistic about the Moon-Trump meeting this week because I actually think Trump is incentivized to not go back to fire and fury. I think he feels this diplomacy is working for him politically, and so I think both sides are actually incentivized to keep some sort of dialog open. I think that's going to be basically the bar. I think Moon Jae-in's going to come to Washington and as long as he gets President Trump to come out and say, "I continue to support diplomacy and inter-Korean dialog," then I think that's a win for Moon Jae-in.

Sue Mi Terry: The timing is curious. What's going to be interesting is on Thursday when President Trump is meeting with President Moon, North Korea, Kim Jong-un, he's having a Supreme People's Assembly, he has a meeting where he will be speaking on Thursday. So that's kind of interesting timing, right, because you don't want North Korean leader to now come out and say something that's not going to be good for this particular meeting with President Moon and President Trump.

Kelly Magsamen: Which is why it's really important for both Moon and Trump to get on the same page as it relates to all the stress tests that are going to come their way from the North Koreans and the Chinese over the next 12 months.

Andrew Schwartz: Okay, so I have prom story too, because my son is like Victor's son, is also a senior. In fact, our sons used to play baseball against each other when they were in little league. My son, his, not his girlfriend, but a best friend who's a girl, asked him ... It's hard to explain these things these days. I don't know. And she's like one of the most impressive people in his class. She's going off to Duke next year. Very assertive. She says, "You're going to take me to prom." And he looks at her and he says, tried to play it cool, and he says, "I got you."

Andrew Schwartz: Isn't that what Trump is going to say to Moon when Moon comes here this week?

Victor Cha: Yeah, I think there is some ...

Kelly Magsamen: I've lost the metaphor at this stage.

Victor Cha: Yeah. I think that's possible. I agree with Kelly in the sense that they're not going to want to leave this summit meeting and be on different pages. I think they will they're going to support diplomacy, but that'll be the public framing. Privately, Moon's going to push for sanctions relief. He's going to want at least for the US to allow South Korea to engage a little bit more economically with North Korea or at least try to get Trump to say he's willing to lift some sanctions. They won't go public with that.

Victor Cha: So yeah, I think Trump is kind of like, "I got you," that this needs to go well, but the difficult conversation will not be viewed by the public, and there's a real gap there. There really is a gap there.

Sue Mi Terry: But then after "I got you," what are they getting from North Koreans? That's sort of the key, isn't it? Then President Moon has to go and either send an envoy to North Korea or meet with Kim Jong-un in DMZ and get something out of North Koreans. It can't be just sanctions relief for what? That's the question.

Andrew Schwartz: Okay, so if you're advising President Trump ahead of his meeting this week with President Moon, what would you advise him to do?

Sue Mi Terry: If I'm advising President Trump?

Andrew Schwartz: Yeah, what would you tell him to do?

Sue Mi Terry: I mean, first of all, would he listen to me? He doesn't even really quite listen to his advisors.

Andrew Schwartz: Well yeah, he would definitely listen to you, for sure.

Sue Mi Terry: No, but my main issue with President Trump is I wish that he could at least stay on message and be disciplined within his own administration, so we don't have mixed messages coming out of the administration. This is what Kelly was talking about.

Sue Mi Terry: Whatever the message is, are we going to do more sanctions? Are we going to do a secondary sanction? Then coordinate that and announce it together and stick with that. Or are we not? Then don't announce it. That whole mixed messaging that come out when the Treasury Department said, "Okay, we're going to do sanctions," and then President Trump tweeted, "Oh, actually. Never mind. I said don't do it." But we don't know which sanctions he's talking about.



Sue Mi Terry: This is I think problem number one. Beyond whether at this point we should do some relaxation of sanctions, whether we should go for an interim deal, a good enough deal. Beyond that, I think first step is can we please have a coordinated policy disciplined messaging coming out of the White House because it's very difficult not only for all of us, but I think for North Koreans as Kim Jong-un is recalibrating and reassessing and seeing what happened in Hanoi, it's very difficult I think for North Koreans to understand what the heck is going on in the White House.

Victor Cha: And I think the president will say, "Thank you, Sue, but I'm just going to do what I want."

Sue Mi Terry: Right.

Victor Cha: Right?

Sue Mi Terry: Exactly.

Victor Cha: But I think-

Andrew Schwartz: And maybe make it up as I go along.

Victor Cha: Make it up as I go along.

Victor Cha: I think the first thing is coordinated message coming out of the summit meeting on Thursday, right. That's the first thing you need. Supportive of diplomacy, continue diplomacy, but maintaining the principle that we want all the nuclear weapons off the Korean peninsula, we don't want a long-range ballistic missile threat to the United States, we don't want short-range missile threats to our allies in the region. Stick to those principles.

Victor Cha: But then, operationally, figure out how are you going to take the first step to do that in a way that is meaningful and is not simply a repeat of what has been done in three of the past agreements, right. All of us have been involved in these agreements, and so when we saw what was on offer in Hanoi, we were like, "We've seen that before. We've seen it three times before."

Victor Cha: So I think one of the things that experts talk about that would be important would be not just simply freezing the operation of their facilities, but actually trying to get them ...

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Victor Cha: ... the operation of their facilities, but actually trying to get them to agree to no longer produce fissile material that could be used for making nuclear weapons. I mean, you can get that in principle as a commitment from the North, or you can try to get it as a verifiable commitment by the North. But many of the experts that I talk to say that that's a really important first step, that would be very different from what has been done in past agreements.

Kelly Magsamen: I do-

Andrew Schwartz: Kelly, yeah, go ahead Kelly.

Kelly Magsamen: I agree that number one, alliance unity, that messaging has to be clear this week. But I also think that President Trump needs to send Moon Jae-In home to Seoul with some sort of indication that he is open to a step-by-step approach, or some sort of interim framework deal, rather than this grand bargain that the administration, those sorts of maximalist positions. 'Cause I think that is what Moon Jae-In will be able to then sell essentially to the North Koreans and potentially get steps. I do think that has to be signaled to him while he's here this week.

Sue Mi Terry: I just thought in Hanoi there was supposed to be some sort of an interim deal, we just don't know exactly why North Koreans came to Hanoi with this no option B, and coming in with like, "Well, you guys need to really essentially give all sanctions relief for this one nuclear facility." I think there is still space to go back to what was supposed to be, what was supposed to happen in Hanoi. Because there was supposed to be an interim deal, not all of us were wrong on that because there was talk about that. So, I do think there is that possibility of going back to some sort of interim deal.

Kelly Magsamen: People have talked about the Reykjavik Summit, which is a famous summit between Gorbachev and President Reagan that failed miserably, but it was a clarifying summit in that it showed exactly what the two sides were going after and the clarification of what the intent and the red lines were. And then that produced forward momentum on diplomacy. So, I think that Hanoi, while a failure, could also potentially be very enlightening to all sides about what our bottom lines are with respect to moving forward.

Andrew Schwartz: I've just been really excited 'cause I have a good question here from one of the students. This comes from Gray, who's a junior in the college. And he asks, "How does Kim Jong-Un feel about Moon acting as a representative for North Korea, given that the relations aren't

exactly perfect or even perfect between the two countries?" It's a great question.

Victor Cha: Yeah, it's a great question. It is interesting that what has been, what, almost two years of diplomacy, you've had a lot of statements by the US President and by the South Korean President, essentially explaining the North Korean position or trying to represent the North Korean position. Because the North Korean leader is famously reclusive, doesn't do a lot of press briefings, doesn't Tweet, any of these sorts of things.

Victor Cha: And so I think from the North Korean perspective, they see utility in a South Korean President that is interested in engagement with North Korea, and that is always essentially trying to put the best face on North Korean intentions. Even if those may not be North Korean intentions for real, putting the best face on those intentions.

Victor Cha: It's interesting that recently, at least in the past week, the North Koreans are signaling that they're upset with the South Koreans because they haven't been moving forward Inter-Korean railroad project with the Kaesong industrial Complex, a joint industrial complex. So, they've expressed in official news releases some dissatisfaction with the South Koreans, which is dissatisfaction with the South Koreans but it's essentially saying to the South Koreans, "You have to do better. You have to do better for us in getting the Americans to come to the table."

Andrew Schwartz: Okay. Well, I have a good follow-up to this. This comes from Gustav, who's a junior in the college, who asks, "How much room does South Korea and Moon have to act unilaterally with North Korea?" How much room do they have?

Sue Mi Terry: I think that always is a concern. I have been concerned about that to be frank. But recently, having talked to the Koreans, I think they're not going to go there anytime soon. They understand that it's going to be a problem, because the South Korea - US alliance, there is always other issues. There's a burden-sharing issue for example.

Sue Mi Terry: That burden sharing issue, which was just concluded, it's only a one-year deal. So, they have to now renegotiate the whole thing. They cannot at this point completely alienate Trump administration, and they know, if they go unilaterally, without getting Washington on board, that's going to be a problem for overall. There's other issues like burden sharing, and in terms of overall alliance issues.

- Sue Mi Terry: So, I think South Koreans again will be very careful about this. Although North Koreans, of course, will continue to pressure South Koreans. They love to put out that wedge between the alliance, that's what they love to do. But I think South Koreans are trying to just do this balancing act.
- Kelly Magsamen: Yeah. I would agree with that. And I also think we have some pretty talented alliance managers on the ground in Seoul, with General Abrams and Ambassador Harry Harris, who are probably encouraging their South Korean counterparts to move carefully along these lines. So I think I agree with Sue, I think they're not incentivized to really create any more trouble. They have their hands full right now frankly, getting the two sides back on the same page, much less creating additional friction in the relationship.
- Sue Mi Terry: If they cannot make any progress with North Korea in terms of denuclearization, and then they blow up the US - ROK alliance, then they really have nothing left and that's not going to be good for the Moon administration.
- Victor Cha: Yeah, because if you put aside the US, I mean, you look South Korea's relations with Japan, as we talked about this semester, are not very good right now given the history issues. Their relationship with China is not very good right now because of the whole THAAD issue, the missile defense system that was put in South Korea that got the Chinese very angry. And then Russia is Russia, right? So, there's not really a lot of options at this particular moment. And if they were to create a split in the alliance then they would really be isolated.
- Andrew Schwartz: This is an interesting question from Varsha, who's a sophomore. Varsha always asks interesting questions. "How will South Korea's relationship with China impact its negotiations with North Korea?"
- Victor Cha: It's a good question. I would say first that of all, and I don't know how Kelly feels about this or Sue, I feel of all US allies in Asia, when it comes to relations with China, South Korea probably has one of the most complex and nuanced relationships. For other countries, it's fairly clear, which is they want to make money off of China, but when they think about political values, strategic leadership, stability in the region, they put their eggs in the US basket for the most part.
- Victor Cha: And South Korea I think generally adheres to that view, but they have this one variable that no other country has, and that's North Korea and unification, where they feel like they need to gain China's long-term strategic understanding if they're ever gonna effectuate unification of the Korean peninsula. And so that variable always

complicates how much South Korea should take China's side on anything from AIIB to South China Sea island building. They tend to be much more reticent on some of the strategic issues compared to other US allies.

Victor Cha: So, how does that affect the relationship with North Korea? I think in many cases South Korea tries to look to China to help with North Korea in terms of moderating their behavior and trying to get them to the negotiating table. But I think increasingly for this administration in South Korea, this progressive government, they really see it as something that they have to do on their own. They can't rely on China.

Victor Cha: Conservative governments in the past in South Korea have relied on China to try to help move this forward, but when China actually showed up not helping on a number of issues, I think this progressive government realizes they really need to do this on their own.

Sue Mi Terry: Just add to what Victor was saying about China and unification. Former South Korean President Park Geun-Hye, and others too, I think South Koreans were trying to really get China to understand this, that China's strategic interest vis-a-vis the Korean peninsula, they need to reevaluate this whole situation, right? Because China and South Korea are close. This is the part of this complex relationship. South Korea's trade with China, their trade volume is double that of South Korea-United States, South Korea-Japan, combined.

Sue Mi Terry: So, South Korea is trying to say it's not gonna be so bad if there's a unification that's basically a larger South Korea when China's already South Korea's largest trading partner. And North Korea, particularly if they're acting like a pariah state with all this missile test and nuclear test and causing instability in the region. So, again it's just a very complex relationship that China has with the Korean peninsula, with South Korea, with North Korea.

Sue Mi Terry: And if you remember, until just very recently, until this past year, even China's relationship with North Korea has been evolving. President Xi Jinping has not met with Kim Jong-Un for first, what, six years? And then all of a sudden now they met three times or four times, but that's only because also President Trump decided to meet with Kim Jong-Un. That relationship, I think it's something to delve deeper into, China's relationship with both Koreas.

Kelly Magsamen: I do think a lesson from the THAAD experience. The Chinese indicated that they were gonna put as much pressure as they wanted to on the South Koreans to basically upend their THAAD deployment.

Andrew Schwartz: Tell us what THAAD is?

Kelly Magsamen: It's Theater High Altitude Air Defense.

Andrew Schwartz: Missiles?

Kelly Magsamen: It's basically a missile defense system that we put on the peninsula. The Chinese I think overplayed their hand in that situation, and I think it backfired in Seoul. So, I think the Chinese also feel very boxed out right now with the US, North Korea, and Seoul diplomacy going on.

Kelly Magsamen: And so it's gonna be interesting to see. Xi Jinping I believe is supposed to go to North Korea, I think next month I want to say, is what is out there. So, it'll be interesting to see how the Chinese now reinsert themselves into the dialog, especially as United States starts to look at things like sanctions enforcement which is gonna largely target Chinese firms.

Kelly Magsamen: So, I think watch Beijing, 'cause I think they're gonna make some moves probably in the next couple of months.

Andrew Schwartz: So, Maki, who's a sophomore in the college, asks a question along these lines and brings up something that Victor mentioned a couple of minutes ago. Maki says, "Trump has already canceled joint US - South Korean military exercises, but he also walked away from the Hanoi summit empty-handed. Trump seems inconsistent with adhering to one single plan. How might this give China the opportunity to step in, and can this play on the argument that South Korea is gradually bandwagoning with China?"

Victor Cha: Well, on the first part of the question, if you sense inconsistency by the President, I have no idea why you think that. I just don't. I don't know where that comes from.

Andrew Schwartz: No, no idea.

Victor Cha: No, but I'm half serious because ... So, there is consistency in what he did after Hanoi if you think like him. Right?

Andrew Schwartz: Yeah.

Victor Cha: So, he did not get an agreement at Hanoi. At the same time, he still claims his policy is a success because North Korea has not tested a missile in 16 months. Right?

Andrew Schwartz: And they're still talking.

Victor Cha: And they're still talking. So, if you leave Hanoi and you want to ensure that you can still claim your policy is a success, you are going to do things like continue to suspend the military exercises that were scheduled to start shortly after that summit meeting between the US and South Korea, the annual big military maneuver exercises.

Victor Cha: And you will then pull back the sanctions that the Treasury Department announced, the secondary sanctions designations that the Treasury Department, not as a unilateral cave, but because you want to continue to signal to North Korea that you're interested in diplomacy so that they will not test. Because if they test as you're entering an election year, you cannot claim your policy is a success anymore.

Victor Cha: So, there is logic to what he was doing. So, we can have a discussion about this. But I feel like China clearly has interests in what happens on the Korean peninsula and what happens in this negotiation, but their interests and their actions are bounded. And they're bounded in the sense that where you will see the Chinese most active, the Chinese government most active, is when they think things are going off the rails.

Victor Cha: When in 2017, North Korea is testing missiles like crazy. 20 ballistic missile tests in 2017. Just to give you by way of comparison, during the eight years of the Obama administration when Kelly was there, they did an average of six missile tests a year. They did 20 in the first 12 months of the Trump administration, and a hydrogen bomb test. And Trump was talking about war. It really looked like things were going off the rails. And that's when China acted. It really put the economic squeeze on North Korea, to get them to stop testing and come back to the negotiating table.

Victor Cha: Once they had the North Koreans back at the negotiating table, then the Chinese handed over to the United States and they go, "Okay, you go negotiate this. You cannot use pressure, and we're gonna back-channel aid to the North Koreans and not tell you about it. But good luck."

Victor Cha: Once they get them back to the table, then they're gonna hand it off to the United States. So, I don't see China a big independent role in trying to get a deal because historically they have not done that. And when it comes to diplomacy they want the United States to handle all the costs and the difficulties of negotiating with North Korea, in no small part because the Chinese know how difficult it is to negotiate with North Korea.

Kelly Magsamen: I think the Chinese are pretty content with the status quo right now. To your point, they don't want to see fire and fury or missile launches, they also don't really want to see a comprehensive deal between the United States and North Korea. That's also their nightmare.

Andrew Schwartz: And they don't want to see us doing military exercises.

Kelly Magsamen: Right. So, right now they are, the Chinese are winning pretty much all around, except I would say on the sanctions piece. But again, to Victor's point, they do cheat.

Sue Mi Terry: The Chinese always say no war, no instability, no nukes, and in that order. So, again when they have chaos, then they will step in. So I agree with that, yeah.

Andrew Schwartz: Do they have tee shirts like that in China? Sounds like a tee shirt.

Victor Cha: When we were doing six-party talks, I mean ... So, the six-party talks were six countries, the United States, the two Koreas, Japan, China and Russia. They were the first multilateral hard security negotiation in Northeast Asia and they were hosted by China. I remember the Chinese really liked it 'cause they were the hosts and everything. And then after a few rounds they started really getting excited. So, we'd show up and they would have six party pencils, six party talk pencils, six party talk brochures, and even six party talk fans.

Andrew Schwartz: Now, that's a collector's item.

Victor Cha: That's a collector's item. I have them in my office, you can come and see them during office hours. But of course, the Americans were all like, "Where's the tee shirt?"

Kelly Magsamen: Right.

Andrew Schwartz: Right, right, well of course, of course. It doesn't exist if you don't have a tee shirt.

Victor Cha: Don't have a tee shirt.

Andrew Schwartz: Right, right?

Victor Cha: Yeah.

Andrew Schwartz: So, all right, back to the last summit, if we can just touch on that for one more minute. Secretary Pompeo said last week on CBS that he's confident that there will be a third summit, primarily because he said,



"We came out of Hanoi with a deeper understanding of each other." I still don't really know what that understanding was, other than there's no missile tests. Is there a deeper understanding that you guys have detected?

Sue Mi Terry: I detected that North Korea really doesn't like sanctions, but we were ready again, you know, we were hung up on peace declaration, we were ready to give that, we were ready to open our liaison office. There was some sort of a deal to be had there. But they came in full force with sanctions. That's what they asked for, sanctions relief. So, I think that does answer that question. We do now know what their number-one priority is. There's a lot of debate between sanctions advocate and those who are against sanctions, but I think that does say that it is playing a role and North Koreans care about it.

Sue Mi Terry: Now, again, what I don't understand, I really, I tried to think about this in the aftermath of the Hanoi summit, why did Kim Jong-Un come in here and think that he could get all of this sanctions relief that he was asking for? Because that was stated to the region before, even Trump himself said sanctions relief is not going to come. I think the only thing we were prepared to do was let South Korea go to maybe United Nations, get the exemption they needed to reopen Kaesong and do some of the Inter-Korea.

#### PART 2 OF 3 ENDS [00:34:04]

Sue Mi Terry: ... get the exemption they needed to reopen Kaesong and do some of the inter Korea projects, but not that we were ready to give sanctions relief. So I don't understand why Kim Jong-un came and thought that there was ... He had no backup option. There was no plan B and just demanded this. I think part of the reason honestly is because maybe he was listening to pundits like us, MSNBC, CNN, talking about how Trump was going to make a bad deal. We want to desperately get a Nobel peace prize-

Andrew Schwartz: Was he also watching Fox?

Sue Mi Terry: And he has all of these domestic problems. No, I just think that played a role where they thought, Kim Jong-un thought he could just sit in front of Trump, and Trump will just give all of this away. And Trump himself, also, President, played a role because he was saying, "Oh, now I'm in love with Kim Jong-un over the most beautiful love letters ever exchanged and so on." Praising him, so I think that really just made Kim misjudge the situation completely. Or Kim could have really thought, "I'm going to ask for this maximum sanctions relief and then we'll just negotiate it down and I walk away with something." Except

President Trump was not also in that patience mode to negotiate because remember that timing was also there was a Cohen testimony that whole day before the summit and so on.

Sue Mi Terry: But again, my takeaway is sanctions matter. North Koreans care about it, going back to fall of 2017 with this maximum pressure. I think if we just continue, I didn't like the final fury. I really didn't like the rhetoric, the full preventive war talk. But if we just continued a little bit longer than just rushing back just rushing to have a summit unprepared.

Kelly Magsamen: I agree. I think there should be a ruling on summits between now and the end of the administration. However, I think that it's probably likely there will be when we're averaging two every 10 months. So I suspect that's probably an open case.

Kelly Magsamen: I do think that Hanoi was clarifying in the sense that I agree with Sue, the North Koreans made very clear that they want sanctions relief, that that is their primary objective. That's useful. The United States made clear that we're not willing to accept a horse for the third time being sold to us or a half loaf. So I think that there is some value to the fact that Hanoi was such a failure, because I do think it clarified some of the red lines and expectations between the two sides.

Victor Cha: Yeah. And I think especially that the two leaders ... As Sue said, both sides came in thinking that they could basically roll the other guy. Kim came in thinking Trump ... Their meeting was the same day of the Cohen hearing. So they thought this guy is under pressure, he needs a win. And then Trump probably came in thinking like, "If I can promise this guy a casino, he'll cave."

Victor Cha: And I think it was important that they both see each other, and they realize that what their working level people were saying to each other about "Your position is not going to work in front of our leader," when the two leaders actually met and they realized that, "Wow, this is really not going to happen." Maybe it was a clarifying moment. So the best case scenario coming out of this is that it was a clarifying, it was like a Reykjavik moment, a clarifying moment and then they'll come back and they'll be like, "Okay, we'll agree on the end goals. Remove all the sanctions, remove all the weapons and we will agree on a first step going forward." That would be a great outcome.

Victor Cha: The bad outcome would be, both Kim and Trump walk away realizing "I'm not going to get this guy to do what I want." And both of these guys are used to getting their way. They're not used to compromising. And then the bad case scenario is where they're like, "All right, I'm really done here. I'm just done. And I'll talk about nice stuff and

everything, but I'm really done." And so right now we don't know which of these is the truth.

Sue Mi Terry: I think there is a scenario in which Kim might say "I'm just going to wait this out." So you don't go in to provocation in terms of missile tests, return to missile tests or nuclear tests cause that's such an "in your face" kind of move for Trump. And as long as President Trump, he doesn't see this test, then he can still say this is better than before.

Sue Mi Terry: So I think there's a scenario, the in between solution, where they just sit this one out. You just wait it out. Just another-

Kelly Magsamen: Strategic patience?

Sue Mi Terry: Yeah. North Korea sort of say "Don't return to test, but continually work on their missile and nuclear program, and then see what happens." Because if President Trump gets reelected, maybe then they can come back and there's a deal to be had then or just watch what's happening on the democratic side. You've been hearing some things like Bernie Sanders saying a peace agreement is a good thing. So I think if I'm Kim Jong-un, there is that potential for just hang tight, because he realizes he's not gonna get that big deal out of Trump.

Victor Cha: There's no agreement to have a third summit soon. And again, it's hard to imagine, because they would not want it to be a failure this time. They would want some for big principles and then some first step. Then if we get to the summer, why is Kim going to have a summit? Because he's going to want to wait to see what happens in the election. Historically the North Koreans have always gone quiet the year we're in an election because they're going to wait to see who's gonna win. And in the meantime, they're just going to keep making more stuff, more weapons. So it's really a question of whose side time is on the longer we wait.

Andrew Schwartz: I think that they both know that if they can exchange a few more beautiful letters, they're going to have enough for a coffee table book. A coffee table book, beautiful letters, Trump, Kim.

Sue Mi Terry: The giant-sized coffee table book?

Andrew Schwartz: The giant size, yeah.

Victor Cha: Translated in 12 different languages.

Andrew Schwartz: Yeah, right. No, but seriously, let's talk about what are the key gaps in the negotiations? What are some of the key gaps between us and them

that we could be constructive on between now and whenever they're going to shut it down or whenever we're going to shut it down?

Victor Cha: The first key gap is on sanctions relief. They essentially want the five UN Security Council sanctions that were put into place in 2016, 2017. So when Kelly was in the government and then into the Trump administration that our UN Security Council sanctions that target 90% of North Korea's external trade. So it's not just proliferation financing, it's everything. And Trump doesn't want to give that up.

Victor Cha: The other big gap is how you define denuclearization, right? The North Koreans basically want to put forward the Yongbyon facility, which is the old plutonium-based facility. Whereas their program has advanced far beyond that with newer and more modern forms of nuclear weapons, fissile material and nuclear weapons production that we know they have, but they won't admit they have. So those are the two really big gaps.

Victor Cha: And then the ground that needs to be covered is what's the first step that addresses both of those needs that each side can claim is different from what has been done in the past. And that's probably more of a problem for the United States then it is for the North Koreans because we really do have a history here of failed agreements. All of us have participated in failed agreements and you can't be considered a veteran of government service unless you participate in a failed North Korean nuclear agreement. So there's much more pressure on the US side to have whatever comes out of this look different from what was in the past.

Andrew Schwartz: So students do you see what you have in your futures? You will one day too be part of a failed nuclear agreement with North Korea.

Kelly Magsamen: Guaranteed. The gift that keeps on giving.

Andrew Schwartz: Sue and Kelly, what do you see as some of the-

Sue Mi Terry: I agree with Victor. I mean there's gab everywhere, starting with number one: Definition on denuclearization.

Andrew Schwartz: Still have a piece of paper what that says.

Sue Mi Terry: We still don't have an agreement on the definition on denuclearization. North Korea is still, we're talking about North Korea's program, North Korea is still talking about South Korea. US extended nuclear umbrella we have over South Korea and Japan. We don't even have a basic agreement on that. We don't have an

agreement on timeline and sequencing. What comes first, right? And President Trump fully I think walked away from this demand the North Koreans were making in Hanoi because if you give all the sanctions relief, which is essentially the whole Shebang for one nuclear facility, we have no more leverage for all these other facilities. So that doesn't make sense. And I think just most fundamentally I hate to end on a gloomy note, but North Korea does not want to give up their nuclear program.

Sue Mi Terry: Can I just restate the basic facts, but that's at the core. But I do agree. It's definition, sequencing. timeline, verification .. There are gaps everywhere.

Kelly Magsamen: Yeah. Right. I think the most fundamental gap is what Victor was talking about, which is trust. I think there's so much history between the two sides on negotiations. That's the biggest issue. I think on denuclearization, I agree, it's important to have a basic agreement about what we're actually negotiating towards. At the same time, I will say that there can be constructive ambiguity about that, which is useful in a negotiations context.

Victor Cha: I don't think we have addressed it, but it's worth mentioning in having to do with sanctions. The first is, we've talked about over the past weeks about different literature on whether sanctions work or not, the effectiveness of sanctions. This was a case that where you had the leader of the country at the table and he could have asked the US President for anything that he wanted. He could have asked for a peace treaty ending the Korean War. He could have asked for diplomatic recognition in normal political relations between the United States and North Korea, a US embassy in Pyongyang and a variety of different things. He asked for one thing and that was removal of these five UN Security Council sanctions. So that is pretty clear evidence that sanctions are working if that's the one thing that they wanted.

Victor Cha: And that also, to me, it was also a very, in a way, it was a very sad thing to hear, because there was always this thesis out there ... It goes to Sue's point about, they'll never give up their weapons. There was always this counter thesis out there, if you will, to US policy that said, maybe they're just a small insecure, poor country that pursues nuclear weapons for their own safety. And if you just gave them a security guarantee and normalize relations with them and ended the adversarial relationship, then they would give up those weapons.

Victor Cha: And so while the United States for decades was negotiating this issue but refused to give a peace treaty or normalization till the end of the

process, the critics would always say, you need to frontload that. You need to change the relationship because they were poor, insecure country.

Victor Cha: And so we have this moment in Hanoi where the leader of North Korea, sat with the US President and could have asked for anything that he wanted. And so he could have said, "I really want you to normalize relations. I want to end the Korean War. I don't want to worry about the US threat, and then maybe we can move from there." And he didn't ask for that. He asked for "Take off these five sanctions and I will give you parts of my program that I don't need anymore." That in many ways was a very sad outcome.

Andrew Schwartz: I want to end with a question from Kelly who's a sophomore in the college, and she asks a policy slash political question. If there's one foreign policy issue other than terrorism that could really affect the 2020 election, it's probably North Korea. How do you all think that North Korea could affect the 2020 election?

Victor Cha: A number of ways. I think the way that would resonate most with Americans would be if they actually did another demonstration that confirmed they could reach the United States with a nuclear weapon, or if they proliferated to a non-state actor or even a state actor. It would immediately become a national security and political issue thing.

Sue Mi Terry: I think in either extreme of provocation that Victor was talking about a nuke test or even ICBM test or some sort of proliferation or a major breakthrough would also help Trump a little bit because he can then claim victory on this, but I think a more likely scenario is we just want to muddle through and it's not going to really impact one way or another.

Kelly Magsamen: I think Americans, as long as missiles aren't flying, they're pretty content with where things are.

Andrew Schwartz: Well, on that note, let's hope the missiles don't fly. Thank you all for hosting us here at Georgetown. It's been great being with you all again. All right, thank you. Don't forget to subscribe to the Impossible State on Apple podcasts or Spotify or wherever you get your podcast. Leave us a review, and thanks again.

Andrew Schwartz: If you have a question for one of our experts about the Impossible State, email us at Impossible State at [csis.org](mailto:csis.org).

Andrew Schwartz: If you want to dive deeper into the issues surrounding North Korea, check out Beyond Parallel. That's our micro website that's dedicated to bringing a better understanding of the Korean Peninsula. You can find it at [beyondparallel.csis.org](http://beyondparallel.csis.org), and don't forget to leave us a review on Apple podcasts. That's so more listeners can find us. It's very helpful. We're now also streaming on Spotify, so you can find us there too where you find all your music. How cool is that? And don't forget to subscribe wherever you get your podcasts.

Andrew Schwartz: This is the Impossible State.

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