

**CENTER FOR  
STRATEGIC AND INTERNATIONAL STUDIES (CSIS)  
TCU SCHIEFFER SCHOOL OF JOURNALISM-CSIS DIALOGUE:  
A DISCUSSION OF NORTH KOREA  
AND OTHER U.S. POLICIES IN ASIA**

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ANDREW SCHWARTZ: Good evening, good evening. And welcome to the Center for Strategic and International Studies. Thank you all for coming out on this rainy night. And we're happy to see you all. I'm Andrew Schwartz; I'm vice president for external relations here at CSIS and I have the honor of hosting this fantastic series that we've partnered with Texas Christian University, TCU. Many of you probably know them as they're now number four in the country.

And I'm going to let Bob talk a little bit more about that because we're very excited about our Horned Frogs. Thank you for being here tonight. I'd like to also acknowledge United Technologies, which is our sponsor for this series. And United Technologies, which is a terrific company, has enabled us to put on these programs on a monthly basis. And so we owe great gratitude to them. And with that, I'd like to turn it over to Bob Schieffer, our moderator.

BOB SCHIEFFER: Thank you very much, Andrew, and thank you all for coming. It looks like we have another nearly full house, which is becoming almost routine now for this series. And on behalf of TCU and the Schieffer School of Journalism and CSIS, we really appreciate you all coming.

We originally planned today for this session to just be about North Korea, but the timing was such with the president – I guess he's just about to land out at Andrews after eight days in Asia – we thought we would just broaden it out. And certainly our panel here is well-qualified to talk about not just North Korea but that whole part of the world.

So we'll be talking about the president's trip – will be the theme here today. And Adm. Tim Keating is retired or just about to retire, I should say, after 2 years as our top military man in the Pacific as Commander, U.S. Pacific Command, which, of course, is the top military post in Asia and the Pacific.

Previously, he served as the commander of the North American Aerospace Command, the U.S. Northern Command, the Naval Forces Central Command and the Fifth Fleet. He had been a director of the Joint Staff. Comes from Dayton, Ohio, graduate of the Naval Academy. Has over 5,000 flight hours and it was said it –1200 arrested landings. Does that mean on carriers? (Laughter.)

ADM. TIMOTHY J. KEATING: Yes, sir. (Laughter.)

BOB SCHIEFFER: Okay. Not, not –

ADM. KEATING: Yes, sir. (Laughter.) For the record. (Laughter.) On the boat – not elsewhere. (Laughter.)

BOB SCHIEFFER: Victor Cha, he was recently named to the newly created Korea Chair here at CSIS – came to that post in May, previously had been director of Asian Studies at Georgetown. From 2004 to 2007, he was the director of Asian affairs at the White House. He was on the National Security Council. He served, at one point, as the deputy head of the U.S. delegation to the six-party talks to North Korea. He is the recipient of many awards; the author of numerous books on Asia, North Korea and U.S.-Japan-Korea security strategies.

David Sanger, a friend, is the chief Washington correspondent of the New York Times; been at the newspaper 25 years now, received many awards for his reporting, was a member of the Times' reporting teams that won Pulitzers for coverage of the Challenger Space Shuttle disaster and the Clinton administration's struggle to control exports to China. The author of the recent New York Times Best Seller, "The Inheritance: The World Obama Confronts and the Challenges for American Power," and he is just back from Paris where he was there for the publication of his book in French.

As I say, we want to talk about the president's trip; we want to talk about North Korea. And let me just start with this: In a dispatch filed from Seoul this morning, the Los Angeles Times began their story on the president's stop there with this: "Even before President Obama boarded his homebound flight for Washington, capping an exhausting, week-long Asian tour, the White House was scrambling to combat perceptions that the trip had failed to produce concrete results."

I must say, when stories start off that way, it generally means that things went badly or, at best, that not much happened. So I'd just like to get the analysis from each of you here, and we'll start with you, David. How did this trip go for President Obama and the United States? Tell us what you think the high points were, and were there low points?

DAVID SANGER: You know, in covering summits like this, the first question people always ask is what concrete results came out of it? And, Bob, you've been doing this a little bit longer than I have, but I don't think I've ever covered a summit where I can come out and I could say that there was something that fundamentally changed much. I don't think that's really what happens at most of these summits. That said, you usually try to wire up summits in such a way that at least there is the appearance of either agreement, new concord or a common mission.

And I thought, in that regard, this trip did come up pretty empty. And, though the White House was somewhat distressed to see it, I just noticed flipping through the papers today that the reporting in the New York Times, the L.A. Times, the Journal were all pretty consistent on this point.

And so then the question comes, why did that perception take hold? Well, it started off with what I thought was a somewhat silly dispute over whether or not the president bowed – or clearly, did bow – to the emperor. But that set off a political tone here as you got conservative groups making the argument that no American president should do that.

I think more substantive was that when he got to Singapore, the main news was that they were putting off the idea of deciding much at the Copenhagen Global Warming meeting, which

is just in a month's time. So they're basically going to try agree on principle but put off all the hard decisions.

Then he got to China and in China, I think, we really saw the effects of the gradual shift in leverage as the president went off to go visit America's banker. And the Chinese didn't give in on much. They didn't let the Q&A session with the students in Shanghai – which I thought was a great session – get broadcast; they said nothing about joining sanctions on Iran; they gave nothing on currency.

So the list goes on but he came up, I think, fairly empty on that. That doesn't mean it wasn't useful. I think building up a relationship between him and Hu Jintao is very useful. But you don't see that in public.

MR. SCHIEFFER: Admiral?

ADM. KEATING: I think it was an essential, Bob, that the president went to the Asia-Pacific region early in his administration. You know that Secretary Clinton went almost immediately after the inauguration. For the president to go, and go to the ASEAN summit and demonstrate this administration and this country's commitment to the region is of significant import.

While Wanda Lee and I lived in Hawaii in the job you described, we were on the road about 60 percent of the time. We went to Japan a dozen times – China, only twice. The point of those numbers – in that part of the world – as it is almost the same in the Middle East – you've got to go there and look folks in the face, drink tea and get to know one another.

The relationship isn't a binary, yes, we agree; no, we disagree. There's an awful lot of subtlety and intrigue and, kind of, courting one another, if you will. So I think for the president to have gone early in his administration, to have made a significant commitment of time and energy is of great import to the people in the region – less so, perhaps, to us in the country, maybe, least of all here in Washington.

But I think it was a significant trip for us as a country. I know that the armed forces will benefit from that sort of exposure by the commander-in-chief to those significant partners and players in the Asia-Pacific power regime. So I'm glad he went and I think that, on the whole, he'll get good grades from the folks he visited, if not quite the high grades he's getting here in the media.

MR. SCHIEFFER: Victor?

VICTOR CHA: I don't disagree with those two assessments. I think if one of the messages that the administration wanted to send is, here is our first Asia-Pacific-American president, they clearly sent that message successfully. I think if they wanted to show that the United States is an Asia-Pacific power, it's presence – as the admiral said – you have to be there. And that was an important thing.

But as someone who's been involved in, sort of, the manufacturing, the choreography of these summits, you do also expect that there's going to be some – you want to use summits to get policy deliverable. I mean, you try to use summits to try to get difficult issues through your own bureaucracy and between the governments. You want to use summits to move it forward. And that really didn't happen that much on this trip.

Now, in fairness to the administration, this administration faces higher expectations of any administration on any given issue. So when President Obama goes somewhere, everybody expects huge things to happen. So the trip, in the end, was an ordinary trip. But because it was President Obama, everybody thinks of it as being not a very substantive trip.

MR. SCHIEFFER: Well, I mean, on balance, then – the admiral says that just the fact that he went was the important thing. But do you think – hearing what you're saying, it would, obviously, raise the question, should he not have gone?

MR. CHA: No, I think he should have gone. I mean, I would have liked to have seen him go and do the things that he did but also – I mean, one of the things I would have liked to see him enunciate more of a trade policy, I think, in Asia.

You have two key pillars of the American position in Asia – one of them is sitting right next to me – and that is the role that the United States plays in providing the collective good of security in the region.

But the other is the United States' position on trade. It's very important. It's been a very important part of U.S. post-war leadership. And one of the big questions that most of the countries in Asia were asking at APEC is what is this administration's position on trade because it hasn't been clearly enunciated.

MR. SCHIEFFER: Getting back to what, well, all of you have referred to, there was a very insightful piece in yesterday's Washington Post. Anne Kornblut noted that when Bill Clinton went to China in 1998, the United States owed more money to the government of Spain than it did to China. And our trade with Mexico at that point was about twice what it was with China. Today, we're obviously flooded with Chinese goods and in hoc to the Chinese for \$1 trillion at last count.

MR. SANGER: Probably more, actually, when you –

MR. SCHIEFFER: Probably.

MR. SANGER: Probably pull a little bit closer to two, I would think.

MR. SCHIEFFER: But is that why – and you referred to it like someone going to visit their banker – is that why we saw the president take the almost congratulatory tone, some people would say, while he was in China?

MR. CHA: Possibly. I mean, I think, as David said, undeniably, the Chinese have an attitude about them now. I don't know if it's a strategy but they certainly have an attitude about them now, given the position that the American president was in terms of the financial situation as he went to Beijing. Clearly, there was an attitude there.

But whether it really translates into some big shift in the way the United States and China are viewed in Asia – I mean, we always have to remember that China is big, flashy, rising, but still, American per capita income is \$40,000 and in China, it's still \$3,000.

And, you know, while many are interested in the Chinese market, they still look to the United States as being the key strategic player in Asia. So there's an attitude, clearly, on the part of the Chinese, but I don't know if this shift has happened yet.

ADM. KEATING: We visited 30 countries in 2-and-a-half, Bob, in the Asia-Pacific region. And in each capital, not just armed force-to-armed force guy but in dealing with media, in dealing with politicians and diplomats and economists and private commercial sector folks, the unmistakable theme – and it is just that; it's unmistakable – folks over there regard the United States as their indispensable partner.

Now, that's true for China. The same conversations, essentially, in China, though there is, as Victor mentioned – there's a little bit of – they're a little more muscular on some things, the Chinese. But everybody over there wants us around to a degree.

Many folks will be pretty candid and say, you're a pretty good hedge against China. China views us as a pretty good hedge against everybody else. So for the United States, that's not an entirely bad position to find ourselves.

Everybody wants us – not there all the time and they don't want this huge, big Uncle Sam thundering around, but they want us nearby. And it is a very reassuring theme that I found unmistakable in my time there.

MR. SANGER: I agree with both what the admiral said and Victor's point here. I see two things that strike me as particularly notable about the Chinese-U.S. relationship right now. One is that through most of the Bush administration, the Chinese and many elsewhere in Asia viewed us as incredibly distracted by the war in Iraq, and then by Afghanistan.

And their view was that, as a result, we didn't play that hedging role politically as well as we did it military. You were present, the fleet was present, but the attention span of politicians and leaders back here were not present. So I think a good deal of what President Obama was seeking to do was to say that era is over and we're back to trying to pay more attention.

But in the meantime, that borrowing has had an interesting and subtle effect. We wrote a story that was in, I think, last Sunday's paper just ahead of the president's arrival where we were trying to explore this dynamic a bit. And the part that struck me – just witnessing it during the U.S.-China strategic dialogue here in Washington in July – was there was a moment when the Chinese asked, gee, could somebody come over and brief us on the president's health-care plan?

So they sent Peter Orszag, the director of OMB, over to talk to them about health care. And I'd love to say that the Chinese visitors were interested in, say, public option versus other – (laughter) – they weren't. Their bottom line question here was, tell us what this is going to do to the deficit, tell us what that means you're going to need in additional lending and tell us, most importantly, what it is it's going to do to the dollar.

Because their view is they've got \$2 trillion or more and then other investments in the private sector here, and they are convinced – maybe, rightly so – that we're going to let the dollar drop and pay back our debts in devalued dollars. And they have to make a decision about whether their future investment's going to be in our health-care plan or in some alternative currency.

MR. SCHIEFFER: What are they going to do on this monetary situation, Victor? What do you see happening there?

MR. CHA: Well, I think it's very much of a mutual hostage situation. I mean, as David said, they're very concerned about the devaluation of our currency, which would dramatically affect their foreign currency holdings. So they want to prop up the dollar and they will probably buy more treasuries to do that if they need to.

And the idea of just dumping the treasuries tomorrow – it's not good for us because our interest rates go up and everything, but then, we don't recover, we can't buy Chinese goods and it hurts them. So it's one of these things where we both complain a lot at each other about it but, in the end, there's no easy fix.

I mean, I think, in the long term – and this is probably something that the administration tried to do – was you want to try to get the Chinese focused on sort of a stable, market-based framework over 10, 15 years in terms of macroeconomic policy and exchange rate policy instead of sort of pegging their currency just below the dollar. I think that's a direction in which everybody wants to go but it's going to take a lot of time. And it's certainly not going to happen in one visit.

MR. SCHIEFFER: On a foreign policy front, what is it that we want from China when it comes to Iran and when it comes to North Korea? And where are we in all of that?

(Cross talk.)

ADM. KEATING: They have white papers published – many of the room are familiar with them – where they advocate a peaceful rise and harmonious integration – their words, not ours.

And so when we meet with our Chinese counterparts and you get past the muscularity, I think it's essential for us to emphasize to them there are responsibilities, there are roles and you have got to live up to them. Whether or not we advocate this, you know, the group of two – U.S. and China – which isn't a real good idea – or eight, or 20 – whatever the denominator, they're in

part of the numerator to an increasingly great degree these days. And so their role in Pakistan, their role in Afghanistan, their role in stemming proliferation, their role in being more open and candid and forthright is of critical importance to us and visits like the president and everything that will result from that.

It's a theme that we have to emphasize in all of our dealings with the Chinese. They have this saying that they say: conceal one's capabilities and bide one's time. You got to be careful, in my humble opinion, about the Chinese trying to do a lot of that splendid isolation development. And it is not conducive to any sort of productive foreign policy or harmonious integration or peaceful rise.

MR. SCHIEFFER: What do you think that the president asked them to do on Iran and on North Korea and what's your sense of – did he make any progress on that, David?

MR. SANGER: I don't have a sense if he made any progress. I think we do have a pretty good sense from the administration about what role they'd like to see China play on both North Korea and Iran – maybe, start with Iran.

The big problem in putting sanctions on Iran has been that Russia and China have been highly reluctant. Russia's a big supplier to Iran of nuclear power plants; a lot of other trade that goes on. And China gets roughly, what, 15 percent of its oil, now, from Iran? Something in that neighborhood; enough to get their attention.

The position that the administration has been taking, if I understand it right, has been to say to the Chinese – not in public, but just offline – look, if we go to sanctions, if there is some moment in the future when there is an interruption of trade between Iran and the rest of the world, your oil supplies will suffer. And, therefore, it's in your interest to help us diffuse this early so we don't get to that stage. I'm not sure, at this point, the Chinese are convinced on that.

On North Korea, the argument has long been – you know, President Bush used to make the argument that he and Jiang Zemin in a meeting in Crawford at the ranch had agreed that North Korea should not hold nuclear weapons.

Well, I think, they're still in all agreement on that but the Chinese concern, the biggest concern, is that chaos in North Korea would lead to a lot of refugees across their border. These two gentlemen can speak to the specifics of that much better than I can. And while they are concerned about a nuclear North Korea, I'm not sure it's the first item on their list. Whereas, for the United States, it is the first item on the administration's list.

MR. SCHIEFFER: What do you think, Victor? What's going to happen on that front?

MR. CHA: I mean, first, I mean, to me what's interesting about the question of what do we want China do is, I really don't think it's that different from what we wanted China to do – that is, the Bush administration – on Iran or North Korea which is, cooperate on sanctions for Iran, and in the case of North Korea, do what it takes, use your leverage to bring them back to the six-party process.

What's interesting to me is that the Obama administration has taken a very different stylistic approach to doing that. The Bush administration was very much – it was very much in-your-face with China: you are a rising power but you have responsibilities and we challenge you to live up to those responsibilities.

And the Obama administration has been taking a much more conciliatory tone. President Obama stated very clearly in the speech in Suntory Hall in Tokyo that the United States has no desire to contain China – a very explicit statement. And they're also very explicit about the centrality of China to the United States' global agenda, which is a very different tack to take.

Now, we can all debate which of these works better, but I think in terms of the substance of policy, we're still after the same things. And in the case of China, it looks like – I'm sorry – in the case of North Korea, it looks like the senior envoy is going to go to North Korea very soon – the U.S. senior envoy will go to North Korea very soon.

And to me, the single most important reason for sending Stephen Bosworth is not because we think we're going to get a deal with the North Koreans. The single, most important reason is when and if that mission fails, then we can go to the Chinese and say, can you work a little harder now because we've done exactly what you asked us to do, which is go and meet with the North Koreans, and they have not come back to six-party talks.

MR. SANGER: Which is, basically, the Iran strategy. That's what all those negotiations in Vienna were all about – if they fail, use that.

MR. SCHIEFFER: You want to add anything to that, Admiral?

ADM. KEATING: I don't think so.

MR. SCHIEFFER: Well, let's just talk about where things are in North Korea right now. We had this incident, what, a week ago? Do you have any sense, Admiral, that that was somehow staged – where you had this naval incident as something that happened because the summit was coming up?

ADM. KEATING: The timing is at least curious. And it was a tempest in a teapot. It flared and, thankfully, it abated almost as quickly as it arose. So there is a – and the best information I have, and it's a little dated, is nobody knows – well, somebody knows but they're not talking – who fired the first shot.

MR. SCHIEFFER: So it may have been just when something had just happened or it may have been planned.

ADM. KEATING: Yeah, there are more events like that than get a lot of attention – we talked about it – the Northern Limit Line; fishing rights and it's hardly a precise demarcation. So it may have been a little, kind of, bump in the night sort of thing. There were reports of some casualties; I don't know if there's a fixed number. But, thankfully, the parties went back to their

respective home ports and it did not develop into anything more – which could have had cast a bigger cloud over the president’s visit. I don’t think it did.

MR. SCHIEFFER: Well, where do you think this whole situation with North Korea is right now, David? Do you think there’s any chance of movement there? Is Bosworth’s mission going to succeed or will it be, as Victor said, it’s something if it fails – we can say, now will you help us, to China.

MR. SANGER: You know, Bob, I don’t think that there is much hope within the administration right now that there would be significant movement. When you think about the Obama administration and North Korea, North Korea was really, sort of, their strategic surprise.

I think that their thinking when they came in had been that Kim Jong-Il, the country’s leader, was quite sick; that there would be a power struggle of some kind to succeed him; that it was relatively useless to try to negotiate something with the North Koreans while they were in the midst of that kind of struggle. You have a hard enough time – you know, over the years, many administrations have had a hard enough time negotiating when there was not a power struggle.

And then the North Koreans greeted the administration with a nuclear test, early on; a sort of reminder that they were there. I think the administration has moved to a position – and I’d be interested to see if our other panelists agree with this – of saying we don’t think, they don’t think, that the North Koreans are going to lash out at American forces in South Korea and Japan; that the biggest single problem right now is that the North Koreans would sell anything to anybody and containing the proliferation risk is the number one objective. And that can be done in the absence of a bigger deal.

ADM. KEATING: Well said, I think, in particular, that the proliferation piece. There may or may not have been a ship that may or may not have gotten underway out of a North Korean port a couple months ago, and while those of us in the Pacific in the United States military were paying, I’ll say, very close attention, so, too, were many others.

And there was a cooperation amongst partners that had, as the overarching cover, the United Nations Security Council Resolution. But I guarantee you, there were very extensive discussions at various levels throughout countries in the Asia-Pacific, all intending to enforce the U.N. Resolution, which was reassuring to us, and, I’m confident, got North Korea’s attention.

MR. SANGER: And the ship turned back.

ADM. KEATING: About halfway to – if you were just to take a time-distance heading chart and go to countries a little bit in the neck of the woods of India – not India, but in the same general region – about halfway, there with no external stimulation, the ship turned around and went back. Very interesting.

MR. CHA: But here’s the dilemma that this –

ADM. KEATING: And we don't know what was on the ship. To the best of my knowledge, we don't know that there was anything, in particular, on the ship. But there were some reports that there may have been some cargo that would have been, if not in direct violation of, at least brushing up against the Security Council resolution.

MR. CHA: But here's the dilemma that this administration faces. There're basically three aspects to the North Korea problem, right? Conventional deterrence – and the North, thanks to Adm. Keating and others, have been conventionally deterred for 50 years from launching a second invasion.

The second is, as David said, the proliferation problem. And now, one thing that this administration will leave is the first U.N.-backed counterproliferation sanctions regime on North Korea. I mean, the Bush administration – we didn't have that. We tried to push for individual sanctions, tried to get other countries to come along, but this is – 1874 is a U.N.-backed sanctions regime. Any U.N. member state now must abide by it.

So you have deterrence and you have proliferation, but those two things don't take care of the denuclearization problem. And the only way you can do denuclearization is either through regime change, which nobody wants to do, or negotiation. And I think that's one of the reasons why, even as they hold their noses, they have to get back into a negotiation.

And the administration has been clear that in getting back to a negotiation, they're not going to buy the same horse three times. They want bigger steps; bigger, irreversible steps. But the practice of this negotiation is that we always want bigger steps and we get salami-sliced by the North Koreans back to baby steps. So I think the real negotiation challenge is how do you make this horse look different the third time you buy it? (Laughter.)

MR. SCHIEFFER: We want to take some questions from the audience, but while you're thinking about your questions and making your way to the microphone, if you would, let's talk just a little bit about Japan and where U.S.-Japanese relations are right now. And I guess the place to start is the thing that everybody was talking about, important or not, and that was this deep bow that the president made to the emperor.

ADM. KEATING: I can't not speak of it, sir. Wanda Lee and I had the great privilege of meeting the emperor and empress. They came to Hawaii a couple months ago. And that's what one does when one sees the emperor of Japan. I don't care if you're the president of the United States or the commander of 325,000 of America's finest. You see the emperor, you express your respect for the man and the history and the position he holds and she holds. It's almost a reflexive gesture. I did it and it didn't bother me even a New York second. (Laughter.) And I suspect the president's the same way – as should be.

MR. SCHIEFFER: Victor, what did you think about it?

MR. CHA: I mean, the bow didn't bother me at all. But, I mean, the bow didn't bother me but the press conference did. The press conference between Prime Minister Hatoyama and President Obama did bother me because, again, these – as many in this audience know – these

are very carefully choreographed and orchestrated events. And whatever may be said between the two leaders in private, everybody tries to craft a good message for the public.

And President Obama was fine. He was right on message. But Prime Minister Hatoyama – with apologies to anybody in the audience – was all over the place and breaking lots of taboos in terms of the way he talked about Afghanistan; the way he talked about Japan’s historic relationship with Iran; the way he referred to high-level group to review the base realignment’s agreements, whereas, President Obama talked about a high-level group to implement the base realignment agreement. So I saw real differences that were on display in a way that we’ve never seen in the U.S.’s allies.

MR. SCHIEFFER: Well, I mean, do you think relations between the United States and Japan are changing?

MR. CHA: I think they’re fundamentally changing.

MR. SCHIEFFER: Of course, we do have a new government there.

MR. CHA: I think they are changing with this new government. This new government is trying to find its new identity and, at least in its initial iteration, it’s a great deal of independence from the United States. Again, even if it’s only attitude, it’s attitude on display, which affects the way all of us look at the alliance.

MR. SCHIEFFER: David, do you want to hop on that?

MR. SANGER: Sure. I lived in Japan for 6 years as the Times correspondent there, and was there during that one other set of months when the LDP lost power briefly. And it struck me that at that moment, the prime minister who came in went out of his way to provide reassurance about where the relationship with the United States would go.

And I was struck, as Victor was, that the new prime minister seemed to go out of his way to make it clear that he was going to fulfill some campaign promises to gain some space. That may be where this is headed. It could well be that if things get rough with North Korea, if there are new tensions between Japan and China, that that space could get closed up fairly quickly. So I wasn’t sure that this was necessarily for real.

MR. SCHIEFFER: You want to add anything, Admiral?

ADM. KEATING: We have 50,000 forces there full-time. We just imported a nuclear-powered aircraft carrier in Yokosuka in Japan – 10 years ago, 5 years ago, we would’ve said there’s no chance.

The recent change in leadership on the political and diplomatic world – Wanda Lee and I had a chance to visit shortly after the election. It’s a different atmosphere in, kind of, this high, high-level strategic discussions, but on the day-to-day nuts and bolts, kind of, grinding them out there has been no perceptible change. And I think that’s very important for us.

MR. SCHIEFFER: Alright, let's go to the audience.

Q: Eric McVadon, the Institute for Foreign Policy Analysis. Thanks to all of you. On the issue of China and North Korea, I've heard of the private meeting, I think it was called, between President Obama and Premier Wen Jiabao. And of course, he, a few weeks ago, had a conversation with Kim Jong-Il and came back with some reasonably encouraging news. Should we make something of that? Might there have been something said there that at least shows a little bit of progress on the issue of China and North Korea and how we work together on that issue?

MR. SCHIEFFER: Who would like to take that?

ADM. KEATING: Well, at Pacific Command, we worked hard with the U.S. forces commander in Korea, Skip Sharp, and the ambassador there to try and capitalize on any and all openings, however large or small they may have been. And progress was measured in millimeters, if that. And sometimes, it was one forward and two back.

As to measureable, discernable progress, Admiral, I'm unaware of any that has been made as a result of those discussions. But then I go back to where I opened: The discussions themselves are essential to those millimeter-like steps forward. So I would applaud the effort to have the discussions, provided there is real pressure to sustain and improve upon the grounds for the initial discussion.

MR. SCHIEFFER: Victor, you want to add to that?

MR. CHA: I would agree with that, and I'd go back to your initial question which is this is one of the areas where, if there is progress between the United States and China on North Korea, we'll never see it in terms of a summit deliverable. I mean, it'll be, you know, a tacit agreement on strategy, the next two steps forward; the sort of thing that will never come out publicly but that will be very important for the overall process.

MR. SCHIEFFER: Other questions? Yes?

Q: First of all, thank you for a very stimulating discussion. I was here earlier today for the German defense minister and he reminded us that 20 years ago, of course, was the collapse of the wall, and I was thinking if we were here 21 years ago, there wouldn't be a panel talking about the impending demise of Warsaw Pact, East Germany and the Soviet Union; that came rather quickly.

So I'd like to press the panel, if we can handle the things that Victor pointed out, those issues of proliferation and deterrence and denuclearization, what about the internal aspects? There's a big belief that, you know, North Korea as it is cannot sustain itself, even if we can keep those three things you described sort of under control.

We came into this administration, some would suggest, with the idea that there was going to be a change. Does the panel really believe that, as constituted, North Korea could continue on, or are there some inklings of a change because, if nothing else, Kim Jong-Il is getting old?

MR. SCHIEFFER: You want to start, David?

MR. SANGER: You know, every American president since Harry Truman has been convinced that the North Korean regime would collapse of its own weight on their watch. So we've been through a fair number of disappointed presidents in that regard.

And I think that if you looked at the first term of the Bush administration, there was a belief, particularly in Vice President Cheney's camp, that we could in fact help encourage regime change. If not bring about regime change, then at least promote regime collapse as a country; that the United States could do this. And that ultimately, obviously, didn't work and led to many, many battles within the Bush administration over whether the right strategy was try to accelerate that collapse or go into negotiations, which they ended up doing.

But you know, when you step back from this and you sort of think about where we were 21 years ago and where we are today, there's a hard reality which was that about 21 years ago – if you believe the American intelligence estimates at the time – the North Koreans got maybe enough fuel for one or two nuclear weapons. In the weeks that we were headed as a country to Kuwait and onto Iraq, the North Koreans used that moment to throw out the inspectors and obtain the fuel at that time for six or eight more weapons, and have claimed in recent weeks that they have now gotten the fuel for one or two more.

So at some moment, while I agree that there's always this incremental motion back and forth, I think the United States is going to have to make a decision about whether or not it is going to treat North Korea sort of the way it treats Pakistan now, which is, officially, the U.S. position is that the countries should give up all of their nuclear weapons. The reality of the diplomacy is that nobody expects that.

MR. SCHIEFFER: Anybody else want to add to that?

MR. CHA: Well, the first thing I would say is – although I wasn't in the first term of the Bush administration; I was in the second term – I don't think that the Bush administration's policy in the first term was regime change or regime collapse; it may have been an attitude or a fantasy that some people held – some very important people held – (laughter) – but I don't think it was actually a strategy of any sort.

There's only one country that can collapse North Korea and that's China, because of the material leverage they have. And I don't think we've seen anything from the Chinese that shows they're interested in that, even after the North Koreans did two nuclear tests.

But having said that, as the questioner said, I mean, one proposition is North Korea collapses of its own weight. The other proposition, of course, is the leadership is not going to live forever. And his mortality became eminently clear to everybody over the last year.

And I don't think anybody really knows what comes after. I mean, we hear talk about the third son and everything, but nobody really knows what comes after Kim Jong-II. And I don't think anybody really has a strategy for what comes after Kim Jong-II.

MR. SCHIEFFER: Next question? (Pause.) Well, let me just ask a question. You raised a question about trade. The president said this morning that he was coming back to the United States to try to ratify the free trade agreement with South Korea.

A big part of that has to do with cars, and I would just say, as someone who covers domestic politics, I think that's easier said than done. I think he's going to have his hands full of getting that done because you're going to have a lot of congressional people in Michigan and other places who are saying, what is this all about? Does anybody think – David, what do you think? Do you even think this has a chance of being ratified?

MR. SANGER: In its current form, I think it would be extremely difficult to ratify. Right now, the agreement has very little to do with cars, and what many in the administration have said is that the agreement has got to be reopened now to go deal with the autos issues.

But when you think of the domestic agenda that President Obama has as he returns tonight – health care, the Senate's going to be in session this weekend; not a time to be angering the labor side of the Democratic Party. Then onto energy, a very difficult debate for many of the same people. I can't imagine that this agreement is going to be high up on the list compared to those two agenda.

MR. SCHIEFFER: Well, I mean, that's what I – I mean, I just don't see how you can deal with that before you get some final deal on health care because he's going to need the votes of a lot of people on health care.

MR. SANGER: And energy goes well into next year by any way you do the calendar.

MR. SCHIEFFER: I myself think that health care will go into next year, but that's just my opinion.

ADM. KEATING: Can I take a little bit different approach to that? from conversations through a number of visits to South Korea – and I'm out of my league here a little bit; these were informal over water and chardonnay in the evening.

The South Koreans – to the second question – they remember 21 years ago and 20 years ago, and a concern of theirs – I don't know if it's the overarching concern – is the economic impact of some collapse in North Korea and the likely flow of refugees south.

So the South Koreans, while they would like to have reunification and would like to see friends and family north, their concerns are different than, I think, ours in the United States about who's after Kim Jong-II – is it a military coup d'état, is it the elites rising, is it the third son or is it an unknown unknown – in Rumsfeld's terms.

So the economic situation in South Korea, their economy is struggling, too. They have wonderful opportunities in the North, but they're leery of the 21 years versus 20 years, and this free trade agreement could offer them some support if there is a collapse. Those are the conversations I overheard.

MR. SCHIEFFER: Victor?

MR. CHA: If I could just – I mean, you know, looking at these two issues – if the U.S. government – you know, you have the North Korea issue – are you going to invest a lot of political capital in this North Korea problem, or are you going to invest a lot of political capital in the KORUS FTA?

If I were doing this, I would think, you know, the North Korea problem – it's going to be there. You can come back to that one; that's going to be there. And you're going to invest a lot of political capital in that and you're not going to win. It's not going to come out well.

The FTA, on the other hand, is real. Biggest FTA negotiated since NAFTA for the United States, and, in spite of the flaws that exist, it is a prototype FTA. The EU-Korea FTA is based on KORUS, India-Korea – a lot of the FTA that people are looking at now have changed because of the KORUS FTA.

There are a lot of problems on autos, undeniably, but the auto clauses in this FTA are still about the best auto clauses that the U.S. has gotten in any FTA yet. But the political challenges, as you mentioned, are quite clear for President Obama. And it's going to take a lot to move this forward.

MR. SCHIEFFER: All right. Well, I think we've come to the end. If there's one thing I know how to do, it's to get off on time. (Laughter.) Thanks to all of you for being here, another session of the TCU Schieffer School of Journalism-CSIS partnership. Thank you for coming. (Applause.)

(END)