

**THE CARNEGIE ENDOWMENT FOR INTERNATIONAL
PEACE**

“THE NEW LOOK OF U.S. NONPROLIFERATION POLICY”

SPEAKERS:

WILLIAM POTTER,
MONTEREY INSTITUTE OF INTERNATIONAL STUDIES

LEWIS DUNN,
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION

HARALD MUELLER,
FRANKFURT PEACE RESEARCH INSTITUTE

HENRY SOKOLSKI,
NONPROLIFERATION POLICY EDUCATION CENTER

WASHINGTON, D.C.
TUESDAY, NOVEMBER 8, 2005
11:00 AM

*Transcript by:
Federal News Service
Washington, D.C.*

MR. WILLIAM POTTER: If I could ask you - take your seats please. We are on a tight schedule, and I would like to start as close to time as possible. There are quite a few seats in the front rows, if you want to fill those up first it will just make it more convenient for people who come in subsequently. Okay, I am going to get it started here. I see my taskmaster is waiting in the hallway to make sure that we start on time and I think we have done so.

I am Bill Potter, I direct the Center for Nonproliferation Studies in Monterey. As always, it's a pleasure to participate in the Carnegie International Nonproliferation Conference. Regrettably, given the dismal record of negotiations at the CD, the NPT review conference in the UN first committee, the Carnegie conference is one of the few venues today when one can expect a serious debate on the most pressing proliferation challenges, and we've observed that debate over the course of the last day and a half. I believe it's appropriate at a conference entitled 60 years later to ask the question, what precisely is new in US Nonproliferation Policy, and should we applaud or decry recent changes in Washington's approach to nonproliferation?

We have assembled a motley group of experts and sometimes practitioners in the United States and abroad to help us sort out the hallmarks of current US policy and their impact on global nonproliferation efforts. Although, I am sure that they will on their own accord provide very different and provocative interpretations of US policy, I thought I would try to further insight them by offering some general observations about what I regard to be the main principles that currently govern the Bush administration's approach to nonproliferation policy.

Let me start with what I identify as principle one that nuclear proliferation is inevitable, at best it can be managed, not prevented. According to this perspective, although the pace of nuclear weapon spread has been much slower than predicted, we are approaching a new tipping point in which a number of states may go nuclear. US policy to counter proliferation according to this perspective must be selective. In those instances in which the United States cannot prevent nuclear weapon spread, it can and should seek to influence the development of responsible nuclear policies in the part of new nuclear nations. This principle applies to the Indian subcontinent, the nuclearization of which should have been anticipated and cannot be reversed. Again, these are not positions that I necessarily subscribe to. I am trying to characterize the principles, which I believe govern this administration's approach to nonproliferation.

Principle two I would identify as, there are good proliferators and there are bad proliferators. Throughout most of the post-World War II era, US Declaratory Policy opposed the spread of nuclear weapons without regard to the political orientation of the state in question. In recent years, however, I believe it's been replaced by a more differentiated policy that distinguishes between US friends and foes. This policy change

is meant to apply higher standards for nonproliferation compliance to selected states and discounting the proliferation risks posed by others. In addition, as the Carnegie work has also suggested, it has had the effect of recasting the nature of the proliferation challenge from dangerous weapons to evil regimes. Again, India is an example of the good proliferator from this perspective that subscribes to democratic norms and also has demonstrated responsible nuclear policies. Although it's true that Washington in the past often played favorites with NPT outliers, the new policy of nonproliferation exceptionalism, I would argue, is far more explicit and pronounced than prior routine efforts by the United States to deflect criticism of Israel's nuclear policies. As one defense expert close to the administration reportedly put it, unlike the Clinton administration, and I'm quoting here, the Bush administration is not afraid to distinguish between friends and foes.

Principle three, and I think this is one that is fairly familiar refrain multilateral mechanisms to prevent the spread of nuclear weapons are ineffectual. Notwithstanding Undersecretary Bob Joseph's statement at lunch yesterday, I believe that the administration consistently has exhibited a strong preference for foreign and military tools that are unconstrained by the need to seek approval from international organizations or multilateral bodies, be they the United Nations Security Council or the North Atlantic Treaty Organization. This general orientation applies with equal force to the nonproliferation sphere and was on evidence at the May 2005 NPT Review Conference and at the September 2005 UN High Level Summit, neither of which produced a single recommendation relating to either nonproliferation or disarmament, although Washington had attached greater importance to the 45-member nuclear suppliers' group as a means to curtail the spread of uranium-enrichment technology, it also has shown that that it is prepared to weaken that body in pursuit of a strategic partnership with India.

And the fourth and last principle I want to point to, is that regional security considerations trump those of global nonproliferation. Diplomats have long struggled with the problem of how best to enhance nuclear stability in South Asia without appearing to reward those few parties or those few states not party to the NPT. In my view, the US-India nuclear deal essentially resolves the dilemma by ignoring how other states may interpret the repudiation by the United States of existing domestic law, and international political obligations regarding nuclear trade with a non-NPT state that also possesses nuclear weapons. It does so because of the determination by the architects of the new India policy that international political objectives take precedence over nonproliferation considerations. A central premise of this policy, although it has not been articulated very publicly, is that a substantial Indian nuclear arsenal will serve US interests in Asia in the future vis-à-vis a more assertive and powerful China.

Again, I would argue that although some of the elements of the new US policy toward India have antecedence in which nonproliferation considerations in South Asia took a back seat to other foreign policy objectives. Prior to the July 18th India-US joint statement, I believe the tradeoffs between pursuing global nonproliferation objectives and those of regional security were never linked as directly or publicly.

Hopefully, I have provoked our distinguished panelists and also some members of the audience. I will now introduce the panelists in the order in which they will speak and I won't refer to them again other than to remind them that they have no more than 12 minutes to make their presentation. First we will have Mr. Henry Sokolski, Executive Director of the Nonproliferation Policy Education Center, then Dr. Lewis Dunn, Senior Vice-President at SAIC, and then to conclude the formal remarks by the panel, Dr. Harald Mueller, who is Director of the Peace Research Institute, Frankfurt.

So Henry, why don't you start this off and use the same iron discipline that you exercise when you were chairing the panel yesterday afternoon.

MR. HENRY SOKOLSKI: I assume this works, with that introduction I almost feel like maybe we should just kind of open it up for questions, but instead I have to talk for 12 minutes.

MR. POTTER: And you have to talk into the mike.

MR. SOKOLSKI: Okay, all right. I guess what I would like to do today is try to explain what I understand of the Bush administration's nonproliferation policies. I use a plural because I think roughly one can argue there are three vectors impelling what work to be policies related to the spread of – I'm going to focus on nuclear weapons, I suppose this will apply in some way to the others, but I'll focus on nuclear.

I think there were - to the best I could sense it from my fellows, by the way I'm a registered Republican, and I do talk to my team, I think, roughly there wasn't a lot of thought about proliferation going in to the elections. There were some, but not much, but roughly during the transition, there were three things that one couldn't actually say or thought as ideas and one - I guess these three prevailed during the first term. First, there was a notion that restraints can't or shouldn't be enforced, I'd say that - the restraints that can't or shouldn't be enforced, should just be jettisoned that there was a desire to break free from what I would call a kind of neo-Fabian bureaucratic approach to nonproliferation that if you just keep saying things and keep going to meetings, sooner or later something good would happen. There was no patience for that and so the BWC protocol, the ABM Treaty, Comprehensive Test Ban, a verifiable fissile material cut-off, I think there was a disposition even before they thought about these things in great depth, not to be terribly enamored of them.

On the other hand, the restraints that can be enforced, that should be enforced, they thought ought to be enforced more actively, and actually I'll say it right here, this view is something which I'm terribly sympathetic to, this latter point, and I suppose one of the possible legacies three years hence of this administration might be that they were much more energetic in enforcing certain things. In any case, we'll talk a little bit more about that. The other premise was that, promoting universal arms control or nuclear limits beyond those that the US had already assumed, should be seen as self-defeating neo-Fabian activities that just simply you should say no to.

So, it's okay to promote a UN Resolution 1540 because that more or less gets everybody to do what we were doing, but new calls for disarmament is not such a good idea. I mean -- I think -- sort of have that notion. And that finally, working with proliferators, if you could avoid working with them in some kind of direct negotiation where you end up agreeing to give them certain things, that's a good idea. If you can do negotiations with other countries, that's better still, but an aversion to one on one, I mean I think they, there was an awful lot of sentiment against the agreed framework going into Bush administration.

Now, there were two other things, subsequent events or developments or factors, that help understand the policies, one was not only 9/11, but 10/11 and I'm referring to the scare in New York that al Qaeda had nuclear weapons, and there was, you know, a general run to quarters, and I think that event spooked the administration plenty. It wasn't publically talked about for quite a while, but this had an enormous effect, and I think it helped galvanize the view that certain states that might handoff nuclear know-how or goods were especially had to be focused on. So, you get this axis of evil speech and I think a lot of that had to do with the worry that Iraq, Iran, DPRK or states like that might handoff and make the scare of 10/11 and New York harbor going up in flames actually happen.

One other factor which you could see in Vice President Cheney's Energy Report which came out very early in the administration, a fascination with nuclear power, the likes of which we hadn't seen probably on, you know, -- for like 30 or 40 years -- generation four reactors, closed fuel cycles, advanced fuel cycle initiatives, reprocessing, disposing of weapons material and burning it as MOX, expanding enrichment, selling MOX, reactor subsidies, all of these seemed fair game and that was different. Now, the three vectors that these factors kind of generate roughly are as follows, tough enforcement, emphasizing, treating friends differently and better than enemies, something Bill just talked about, an alliance management. Regarding the tough enforcement, tough enforcement, the agreed framework resulted in it being terminated, reaming the NPT tougher with regard to Article 4 and Article 3, tougher enforcement of the UN resolutions resulted in arguments of why we went into war against Iraq, tougher reading of IA-12C the statute of Provision 12C has to do with cutting off nuclear cooperation to Iran.

The Proliferation Security Initiative, roughly reading how we would treat Libya, all this came out of tough enforcement, and a lot of things that people don't realize came out of tough enforcement were fights that you didn't read about in public, but it turns out that there were a lot of efforts to essentially sit on aid to India or even an agreement to India that there were concerns that we shouldn't essentially go forward with looking the other way on the ROK and Egypt's violations of their IAEA agreements. All these fights didn't make the news, but the tough enforcement crew made these fights, they failed, and the reason they failed is because of the second factor, and this is a kind of traditional diplomatic factor that you find in the State Department, which is you should treat countries differently, each case is different, you have heard that even with Bob Joseph yesterday each -- you know, each country is different, and in particular, if you are going to villainize certain countries as possibly passing off nuclear know-how, you have to

befriend others who will help you, and so there was this notion that we should in fact either go lightly on sanctions with regard to Russia, India, Egypt, Pakistan, that we shouldn't pressure Japan with regard to its reprocessing activities, the ROK's activities that were found a violation in the eye, because they were friends, and that for many of these nations, we are too in fact engaged in new forms of civilian nuclear energy cooperation. Finally, of course we will continue to stigmatize all of the bad countries. And then finally this notion that talks with bad countries like the DPRK and Iran, they should be done multi-laterally and we should constantly point out how much better those talks are to the previous kinds of talks that might have been bilateral.

Let me jump to the end of the presentation. Some of you have copies; the world roughly looks like this now for the optimist, I consider myself an optimist. And essentially you have a number of nuclear powers that are clear, but what really matters is in the confusion that might be created about them having competitions with each other so much as their dominant relationship with the United States, which is the only country that can conventionally wage war against small countries and succeed. The other countries can't do that, so they gravitate towards us, and while they could have competitions with one another for the most part, we are hoping they won't, and one way to encourage that is you make almost all the nuclear powers in the world a NATO or non-NATO ally or strategic partner, and so this is very clever and this is what our diplomats have done to simplify things. It works for me, there are four things, however, that could jeopardize that world, and this is what the next three years will -- what we should watch. There are four tests.

The first test is, will the talks EU3 and Six-Party Talks result in allied enforcement measures that stigmatized the Iran and North Korea nuclear behavior, or will they, in fact, drift and continue such that there will be alliance estrangement and no enforcement of any of the rules and essentially rewarding that behavior. We have to shore up the rules, and I think keep Iran from becoming at least, if not a nuclear state, a model for other would-be bomb makers by refuting claims that states have a per se right to make nuclear fuel, and that they can violate their safeguards agreement with impunity and in the case of North Korea, violating withdrawal impunity and maybe even get rewarded.

The third and fourth tests have to do with India, which we heard a lot about yesterday. I think if we don't somehow get India to cap its program for making weapons, the pressures will mount to accommodate Pakistan and Israel, to accommodate Iran and North Korea, and for states like Ukraine, Brazil, South Africa, Japan to reconsider their commitments.

Finally, all of this Generation IV advanced fuel cycle initiatives, if it goes beyond domestic R&D and it becomes international cooperative programs in earnest, and if the United States promotes reprocessing and the use of direct-use materials like MOX under the Global Nuclear Energy Initiative, which is about to be announced, I think everyone is going to go to fuel cycles that are closed and dangerous and we will lose even more track of what is material unaccounted for, material accounted for that could be made into

bombs and the threat of nuclear theft and proliferation will be immense. This is the world you end up with if you fail the tests, and that's a world full of nuclear-ready states, I put aside nuclear terrorism because I don't know how probable that is, I think that people are a bit shrill about that, but we do know that if the world could in about 20 years' time be full of states that would be weeks away from a bomb, and in that world as little as one single assassin's bullet can set off a war, and once it gets going, there will be nuclear use. So, that should be something we should fight, and with that I conclude.

MR. POTTER: Thank you, Henry. And thank you also for directing your comments about my being shrill on nuclear terrorism.

MR. SOKOLSKI: Well, a little.

MR. POTTER: We will talk about that later.

MR. SOKOLSKI: Yes.

MR. POTTER: Lewis, you are up.

DR. LEWIS DUNN: Thank you, Bill. I originally had ten points on US Nonproliferation Policy, for given Bill's injunction; I have thrown three of them overboard. So, with any luck I might actually get through this in my allocated 10 to 12 minutes, and with the focus being on – which you might refer to as something old and something new.

MR. POTTER: I can't hear - I can't hear.

DR. DUNN: The focus would be - is it better? Not really, seven points on US nonproliferation policy with the focus being something old and something new, but they wouldn't come up in that fashion. My first point, as one looks at this administration over the last year, what I see is an administration that has rediscovered the fact that preventing proliferation is important. Now, you will encounter individuals who view proliferation prevention basically as something they call the sweet spot. They call it a sweet spot because they recognized that it's just playing tough to deal with the consequences of proliferation once it's occurred, and then despite efforts to put in place the types of national capabilities to deal with adversaries that possess nuclear, biological, or chemical weapons, it's just playing hard - you don't make as much progress as you thought, so the first point.

My second point is that, this administration like every other administration has on occasion subordinated nonproliferation or proliferation prevention to other security interests. So what's new? The Kennedy administration came to live with France, Johnson, Nixon, and Carter came to live with Israel. Bush I and Clinton came to live with Pakistan and Bush II came to live with India. This is not something that you can only say the Bush administration has decided that proliferation is inevitable, so we have

to live with our friends. Every administration has at some point in time come into conclusion that there were more important security interests at stake.

Third, this administration, despite whatever its views were when it came into office, has been prepared like other administrations, basically to hold its nose and do deals that serve nonproliferation or proliferation prevention, and I think Libya is a classic case in point. We may yet see the same thing on North Korea depending upon whether the North Koreans finally want to, you know, do a deal. This is the sixth time we have tried to solve the North Korean problem, it's been around for a long, long time. Maybe on Iran you can do a deal, but it depends, and the point is that proliferation prevention basically is a messy business, sometime you have to deal with countries that you don't like; sometimes you have a higher stake in the case of Colonel Gadhafi. What was worse, the fact that he supported terrorism, the fact that he is a nasty regime, or the fact that he was on his way to a sort of Sears Roebuck store-bought nuclear weapon program.

Fourth, this administration like other administrations has on occasion pursued some innovative initiatives for work proliferation prevention. I think, PSI, the Proliferation Security Initiative, is a good example, and I think that United Nations Security Council Resolution 1540 is another example, although there, there is some paternity disputes as to who was really involved in making it happen.

Fifth, I think in this administration unlike some past administrations, there really is a deep and driving concern about this nexus between terrorism and weapons of mass destruction. I think this probably started in the second Clinton administration, but not much present earlier, and I think on biological weapons, you know, good evidence that the proposition that this administration operates on that acquisition of nuclear, biological, or chemical weapons will result in use is well taken. On nuclear, I think one has to assume this, on nuclear I think we have to assume that if bin Laden, al-Zawahiri and half a dozen other folks wherever they are, out there in the Pakistan border known as – known to my mind as al Qaeda center. You have to assume that if al Qaeda center managed to acquire a nuclear weapon, they would think very seriously about using it, but it also could be much more useful to bin Laden as a deterrent, as a means of influencing and blackmailing other countries. Don't worry, Bill, I am on track.

Sixth, unlike most – unlike most other administrations, the Bush administration has not been prepared to engage in nuclear disarmament diplomacy. It has been reluctant even to – if we can put it this way – talk the talk of multilateral nuclear arms controlling disarmament. Its position is based on a view that nations get nuclear, biological, or chemical weapons for their own regional security reasons and those reasons have very little to do with what the United States, the Russians, or the Soviets before the Russians do on arms control. This view has always been the under-the-table dominant US view. Other administrations, including the Reagan administration in which I served, other administrations were not prepared to speak so frankly. Other administrations engaged in nuclear disarmament diplomacy. This is not something very different; it's just now out and really clear to see. On balance, I personally believe this has been a blind spot in all US administrations, that the broader global milieu, perceptions of the usability, the utility,

the legitimacy of nuclear weapons matters, but in terms of the basic point, it's not a dramatic shift from the old days until today.

Seventh, my last point. Unlike past administrations, the Bush administration, and here I think it is really different, the Bush administration has pressed forward with efforts to try to build and deploy effective missile defenses, both within the theater and for the homeland including withdrawal from the ABM treaty, well this has been controversial and the feasibility of defense even against limited threats remains to be proven, but it seems to me that in this area if one can eventually put in place effective defenses, it will raise the nuclear threshold in two different ways. On the one hand, effective defenses will take off the table limited nuclear uses by US adversaries. In effect, effective defenses will require leaders of other countries that might think about the use of nuclear weapons in a regional confrontation with United States, to ask themselves which do we prefer – no use or bigger use? And I think in most cases the answer then would be no use. On the other hand, effective defenses make it less likely that the issue of US nuclear use will come on to the table, in response to adversary-limited nuclear use. For that reason, it seems to me that effective defenses, assuming that you can make defenses work, I think actually turn out to be central to preventing proliferation. As a means of reassuring friends, but also as a means of reducing the probability of a nuclear next use, which probably is the most decisive and dramatic proliferation event --- proliferation event that one can imagine. I will stop there and make Bill happy.

MR. POTTER: Thanks. Lewis, you actually stopped two minutes early, so at some point I will let you add your three points that you jettisoned, but for the moment we will move on to Dr. Mueller.

DR. HARALD MUELLER: Thank you, Bill. I may just hijack Lewis' last minutes. (Laughter). I hope that the acoustics here is not amplifying my heavy German accent so as to make me incomprehensible. I looked up the term 'New Look' in my dictionary and found that this was a name of the Eisenhower defense policy. Since that ended up with a lot more nukes, I didn't like the title at all. So, rather than trying to distill what's new and what's old, I give you my take of the underlying assumptions of present US nonproliferation policy as how our chair asked us in a letter before this panel. I will then try to give you my balance of the record of that policy contrasted with European approach to nonproliferation and draw some conclusions.

I see some characteristic features in substance, first of all, the national security of the United States, as perceived by the present administration, is pursued without much regard to the national security of others, and with some secondary thoughts to the allies, as I admit, and certainly without regards to the consequences which US policy's agenda in terms of the countermeasures that others might take and I see that, in particular, in NMD in the weakening of national security assurances and in the nuclear doctrine. When I read through the document and saw that nuclear weapons might be employed to terminate a war early in favor of the United States or to have a victory of multi-national operations, I fainted.

Secondly, the reliance on unfettered superiority and complete freedom of action in military terms, and I point to military space policy as a striking example.

Third, for those reasons, international law and international institutions are seen as constraints on US freedom of action and therefore a potential risk to US security. Whenever international law or international institutions might require concessions that would circumscribe freedom of action, but such concessions are of course inevitable if you want to make treaties or compromise political commitments, examples include the refusal to join the CTBT, and the refusal to accept any of the commitments made by the Clinton administration in the 2000 review conference and let me just say as an aside that the lackluster performance of the US delegation in 2005, I think would have sent the two people in this room who had led delegations in successful conferences, namely Lewis Dunn and Norm Wolf into a deep feeling of shame if they had watched it.

Fourthly, the distinction as Bill indicated between good or harmless and bad proliferation along alliance, which, of course, is undermining the notion of universality of the nonproliferation regimes. Because of their distinction between good and bad proliferation, the centrality of the notion of regime change is helping nonproliferation and counter proliferation which, of course, immediately enhances the security dilemmas for the target regimes, underlying assumptions on procedure and optimistic phase in the truth, correctness, and rectitude of the US position, and therefore the diminished need to consult and negotiate with others. A sort of fake multilateralism relying on exclusive coalitions of the willing with necessary negative effects on those who are excluded, and these coalitions work in that the US assembles a group and tells them what to do and is vastly surprised if from within this group some other ideas emerge, but at times the US has then been accommodating to such ideas.

Finally, the claim to be entitled to enforce unilaterally nonproliferation without regard to the due internationally prescribed procedures. Now if you imagine for a moment that these principles were applied by all major powers simultaneously, you easily conclude like I do that we would end up in the law of John. Funnily enough, the balance of this policy has not all -- been that bad. There have been rather resounding successes, some successes with -- but successes anyway. The Cooperative Threat Reduction and Global Partnership is certainly a very big asset for which the administration has to be praised. The decision to help with an enhanced IAEA budget after years and years and years of the stagnating budget was courageous and welcome. The adoption of Resolution 1540 was certainly progress, but I should say the way it was negotiated created a lot of resentment and in fact caused the resolution to be less efficient than it otherwise could have been. PSI was a worthwhile initiative, but again it took a lot of effort on part of the allies to get the legal effect - the legal aspects into PSI. And finally, the resounding diplomatic success was Libya, but again my question is why have the IAEA and the OPCW to elbow in their function for implementation rather than being invited from the beginning.

On the negative side, the Iraq war, which has for a long, long time discredited the use of intelligence as a source in compliance policy, well at the same time the US is

insisting not to set up a more reliable international assessment system building on the largely successful UNMOVIC. Iran and North Korea concessions on security issues coming far too late in the process or not at all, with a consequence that success is limited, on North Korea we keep our fingers crossed, I think concessions made this year, having come three years ago would have prevented the situation from going as awry as it is.

The deal with India is discrediting the political commitments made in the United – in the NPT context on full-scope safeguards as well, as in the NSG, and poses the question what political commitments of that sort are really worse, and how others could rely on that? The NPT review which basically saw an exploding treaty community, with the consequence that the NPT today is certainly at lowest threshold in the decision making of potential proliferators, and that as a born optimist, I see now as a real potentiality the world with three times as many nuclear weapon states 20 years from now than today, and also losing of the effectiveness of the employment of US influence, I point to the re-election of Mohamed ElBaradei over the fervent screaming and kicking of the US administration, which came in only very late when it was left by all its friends and allies in the IAEA. The going nowhere of the new Safeguards Committee, which was meant as a compliance body and will be a nice elderly diplomat advice to the IAEA, and not more.

Now let me contrast that -- what the Europeans have tried to shape as their security policy, I will be very brief because Annalisa Giannella gave an excellent account of that yesterday. In terms of threat assessment, the Europeans agree with the US that proliferation and terrorism are in the center, but there is no notion of rogue states in the security strategy - very, very strong emphasis on multilateralism, international organization, and international law, and by the way not as a value in itself which is a red herring which no one sticks to, but because these are seen as the most reliable instruments, to achieve the goals of nonproliferation. The centrality of the WMD regimes as they exist today, no direct relation between democratization and nonproliferation, reliance on coexistence and containment with regard to non-democratic countries of concern, a long term aiming at regime change through aid, trade, conditionality, and cooperation built after the model of the very successful East-West conflict policy, but not by force, and finally, and that is important, the possibility of the use of force as a last resort to preempt an immediate threat emerging from the proliferation of weapons of mass destruction in accordance with the international law and the Chapter 7 of the UN Charter, that is a central role of the Security Council.

My conclusions, the 'New Look,' if there is any, relies much on self-help and regard security cooperation as a mere compliment, it is not good I believe to achieve its goals in a globalized world, that the security of nation states is interconnected including in the campaign to combat terror. The shortcomings do not prevent occasional success but causes serious failures, and a long-term deterioration of US and global security. The fundamental misreading of the role of law, as international law is simply the best instrument to coordinate the actions of many interdependent actors at the lowest cost. The European alternative is conceptually more sound, but it is lacking the ultimate instruments of enforcement for the time being. The need for US leadership in that regard

puts the EU in a dilemma, we can accept leadership that is leading in the wrong direction or we can refuse leadership and get little accomplished, and in addition enhance trans-Atlantic quarrels. I think if the policy continues like it is, we are heading towards a world with revived great-powered conflict, notably between the United States and China with an ensuing arms race, nonproliferation, and therefore also more opportunities for non-state actors to get their hands at weapons of mass destruction.

Thank you.

MR. POTTER: Thank you, Harald. You characterized yourself as an optimist, so we really have to be careful how we interpret your last remarks. As is obvious, there is considerable disagreement among the panelists, I am going to resist the temptation to allow them to respond to one another at this point and instead invite questions from the audience, if you can put the mike up and if you would like to line up behind the mike, then we will take a couple of questions at a time and then respond.

(Tape break.)

Q: -- missile defense as an aid to nonproliferation. If I were a rogue state 'X', the last thing I would do obviously is --- is launch a long-range missile with a nuclear warhead at the United States because the results are pretty clear; however, I may try to deposit it by covert means or possibly by short-range missile or UAV. It seems to me in that case, missile defense is absolutely irrelevant to a rogue state using nuclear weapons against the United States. One can also think about the scenarios of state 'X' using that as a last stage defense against US invasion, and in that case too, at least long-range missile defenses are irrelevant. So I wonder if you can get -- give me some comments on that, thank you.

MR. POTTER: Thank you, Tony. We will take maybe one more question and then ask the panelists to respond.

Q: Hello, my name is Dr. Joanne Chang, I'm from Taiwan and Dr. Sokolski's remarks and also at the end there is a map, a world full of nuclear-ready states in which include Taiwan, and I just want to make a very clear statement. President Chen of Taiwan has made repeated remarks that Taiwan will not develop nuclear weapon or any weapon of mass destruction. Thank you.

MR. POTTER: Thank you. Lewis, do you want to take the question?

DR. DUNN: My response will be that -- yeah, there is a whole variety of ways that an adversary of the United States and its allies might come to believe that it could use a nuclear weapon, but it seems to me that if it's economically and technically and militarily feasible to take off the table, one particular use by missiles is worth doing and it's based upon the -- my point is based upon the premise that if I ask myself what really will produce a tipping point in terms of proliferation. If we look at the proliferators today, if we look at the standard list that's probably in Joe Cirincione's book, it's the same

countries we have been dealing with for 30 years. What really is the danger is when some of the people who are out there watching -- you know, the onlookers, the countries that are asking themselves, is this the world that's going into many nuclear weapon states, when they start to say to themselves we got to worry and we got to think about nuclear weapons for our security. One of the ways that that comes to pass is that there is a next use of a nuclear weapon by an adversary, which is successful. A successful use of a nuclear weapon drives out the point that, hey, we could think about these weapons. Missile defenses, I think, in some of the most obvious scenarios could take that off the table for missiles and I think that's worth doing.

MR. POTTER: Go ahead, Henry.

MR. SOKOLSKI: I'm a big proponent of missile defense, actually got some missile defense program started when I worked in the senate with Senator Quayle, and I'm still a big proponent, but I don't think that they do as much as we would like them to do. You do what you can, but they do not work as well as they need to. So I'm not so sure, I agree yet that missile defenses do as much as we might hope to prevent proliferation. Also, that we may be worried about the same countries for the last 30 years, but if you go 40 years you will discover the list was very, very different. Initially, we were worried about Italy, we were worried about Sweden, we were worried about a bunch of European countries going nuclear, it changed, and it will change again if we are not lucky and I think in that regard my comment about Taiwan and my comment about nuclear-ready countries was totally misunderstood. The problem is that the list of countries we have to worry about will change because what is proliferation is changing. It isn't countries getting nuclear weapons, it's countries getting within weeks of being able to have nuclear weapons, and it's my understanding that there have been discussions with officials in Taiwan about whether or not they would like to buy reprocessing services from the United States and there may even be discussions about sending them mixed oxide fuel. Well, mixed oxide fuel happens to be direct use material, which I'm sure there must be someone from the Nuclear Control Institute out here, where's Paul Leventhal? (Laughter). He will lecture you endlessly on how close that is to weapons, and he is right. And so, the point is countries will edge right up to the point where they can become very close to having weapons, and of course they won't have weapons and of course they'll say they won't have weapons, and they might mean it, but they can change their mind literally overnight and that is the future that we have to avoid and what I am worried about.

MR. POTTER: Thanks, Henry. Take the next two questions please.

Q: Yeah, Dave Ruppe from Global Security Newswire, this is for Mr. Sokolski. Henry, do you get a sense that the administration officials who devised this nonproliferation approach sat down and did sort of a cost-benefit analysis to conclude that it was going to be overall in our benefit to, you know, sort of choose good and bad proliferators and pick and choose treaties, and in your assessment, did they get it right?

MR. SOKOLSKI: Short answer is no. Generally, country specific policies are conducted by different people and people who worry about functional concerns in our government, always has been that way, probably always will be. As a result, things get decided and then the details of how you are going to work the risk assessment come later. And I think the India deal is a perfect example where you get the sense that the decision had been made at the seventh floor without any creative tension with anyone beneath the seventh floor, much less anyone outside of the building of the State Department. So, same thing I think with Brazil and the way we handled some of these other cases where there were infractions against IAEA sanctions and some people lower down said, well, why don't we just go to the UN Security Council but not sanction them -- no, it was just decided. I don't know that that changes unless someone starts complaining a lot publicly and officials feel like they have to explain more what their decisions were about, but no, I don't think there was a cost and benefit analysis done.

MR. POTTER: Let me take two actually two questions, now before we have a response and then if the panelists want to weigh in on some of the prior questions, that would also be appropriate. You want to identify yourself please?

Q: Jeffrey Joseph, I would invite the panel to quickly look to 2009 and beyond, to what extent will this new approach to US Nonproliferation Policy outlive the Bush administration? Are the policy shifts that occurred over the past five years easily reversible for the new administration Democratic or Republican assuming office in 2009?

MR. SOKOLSKI: Okay.

MR. POTTER: Thank you, let's take one -- one more.

Q: Daryl Kimball with the Arms Control Association. Several of you touched upon the administration's views on verification. I wanted to ask you to comment a little bit more because I think there is a thread in there that is important. The administration rejected the BWC Protocol and Verification, rejected the option of verification provisions on the Moscow Treaty, has rejected the idea of verification with the Fissile Material Cutoff Treaty, dismissed the CTBT in part because they don't think it's verifiable. It seems to be informed by a view, which we heard a little about yesterday that verification is imperfect. Well, that's not new to any of us in this room, it does help deter and dissuade and detect in this age of additional -- potential additional proliferant states. Is this a missed opportunity? Is this a luxury that the administration thinks it has that we really do not have in helping to build these verification monitoring systems for the future?

MR. POTTER: Anyone at the far end of the table? Harald? Lewis? Okay, why don't you start, Harald?

DR. MUELLER: I want to reply to Daryl's question on verification. I think that this deep distrust in and aversion against verification is part and parcel of the administration's philosophy. Verification always comes at certain costs to yourself, you

have to open up, and if you look at the fields and question here, Biological Weapons Convention, that of course could get the inspectors some information about US bio-defense programs that are sometimes at the edge of the permissible, and would certainly if they were conducted in other countries cause concern in the United States, and the same applies for chemical defense programs and the stipulations in the verification system of the CWC, and in either case there are also commercial interests involved that some in the US administration feel might be compromised by international inspection, which by the way was an old German concern with regard to the clarification in the NPT context, and then in the context of the Cutoff Treaty again, the possibility that by intruding into the US nuclear complex, in particular the weapons making factories that might have to be opened in the context of a very intrusive cutoff verification system, national security aspects might be compromised in the eyes of the administration and that's strong reasons for concerns in the way they define national security.

It's noteworthy that in all three aspects, the European allies came out of a different side of the issue, namely to support the effort to go forward with verification and here one reason is that the Europeans generally make a different calculus as to verifications strategy, that is if you have a certain probability that you might detect illegal activities by verification, your system need not be perfect, it may be not needed at all to be close to 90 percent. A certain degree of probability is enough and that in the end persuaded the Europeans after some soul-searching to support the BWC Protocol, which of course did not erect -- would not have erected a perfect verification system comparable to what the IAEA is demanding.

MR. POTTER: Thanks. Lewis, do you have anything that you want to add?

DR. DUNN: Well, I'll just quote on the question as to whether the approach is such as they may have been set out on this panel of the Bush administration will survive 2009, and I think that's a less interesting question than what does it depend upon, and I think it depends upon, what is -- US Nonproliferation Policy look like in 2009? I think it depends partially upon how well we do in the next year or two years in dealing with the two biggest problem cases that we have -- North Korea and Iran. Is it the case that the Six-Party Talks, is it the case that the US' willingness finally to talk to the North will lead to the sixth and final settlement of the Korean bomb pursuit or not? What will happen with Iran? Will it be possible to do a deal with the Iranians, it's truly not -- I believe Harald is right, the Americans should have been involved three years ago with the EU efforts, but will this -- will this succeed now? What about multilateral institutions? I think it's more likely to note that Iran will be the test case of that in the Security Council. If one looks at the Security Council record in the early 90s in dealing with Iraq -- the mid 90s what you see basically is Saddam Hussein pursuing a really crafty testing strategy, step-by-step strategy to erode the UN's role. So will the Security Council step up to the plate and effectively make the challenge of an Iran that wants to have nuclear weapons.

Will there be a next use of nuclear weapons over the course of the next three to five years? So I think all of those could shape quite differently, could shape how the policy looks in 2009. My own approach continues to be as I said earlier, something new

and something old. We are likely to see a lot more of this. The one area that I think would change would be there'd be much greater readiness to be back in, you know, talking the talk of nuclear disarmament as opposed to not being prepared to do that.

MR. POTTER: Go ahead, Henry.

MR. SOKOLSKI: I think the four tests that are listed in that material – that's out on that table overlap a little bit with Lewis, except -- I am not so sure we need to make a deal to reverse the dangers of unhinged negotiations, we just need to make a model and stigmatize the behavior, and we have not done that very well yet, either in the case of Iran or North Korea, and so far if not really suffered anything and we are talking about rewarding them in some fashion for withholding the exercise of certain rights, which, you know, in a whole thing strikes me as wrong. The reversibility also depends on India, I think, I think India is much more important than others may think, and how we do this nuclear cooperation or not, this advanced fuel cycle stuff is going to spread bomb direct use material around and I think we are not thinking clearly, that gets to the last point.

I have a difference of opinion with my German friend about verification. The one thing that the administration I think did get right, is attacking this argument, which is well, something is better than nothing. Well, there is another adage in public policy, and that is - do no harm. Some things are worse than nothing, and when you have in the BWC Protocol, the kinds of mechanisms they have which produced false negatives and worse yet, false positives which is unique, I mean even the Chemical Weapons Convention doesn't do the latter, you have to say no, this is not the right way to go, and I think there were desires to get out of the ABM Treaty that had nothing to do with verification and I have said enough on the fissile material cutoff, there are reasons why you cannot use the IAEA or anyone else to verify bulk-handling facilities, and I think we need to come around to that point, and I'm sure the administration is not making an argument yet, but they should.

MR. POTTER: I think --- unfortunately Henry -- well, you know, don't do – do no harm is an important public policy adage; don't do anything too quickly prevails over that one.

MR. SOKOLSKI: Well, no, but they've done things. I mean, that's a mistake though to argue they haven't done things.

MR. POTTER: Let me also try to respond a little bit to the question of the lingering effects of the changes that at least I've discerned. I think that there are unfortunate precedences that are set, the US may in fact return to its prior – some of the prior approaches, but I suspect that other countries will embrace wholeheartedly for their own purposes, some of the new principles that the US has expounded. So, while we may have our set of good proliferators and bad proliferators, those in Moscow, in Beijing, in Paris, and elsewhere may have a very different set and I think we will find some of the arguments that we've advanced for the purposes of modifying the NSG guidelines created in exception for India playback to haunt us.

I think also as Harald Mueller has pointed out both here and another panel, the political agreements that were central to the 1995 NPT extension are perishable and are perishing and also set very, very unfortunate precedence for other agreements which we continued to value highly, but in some aspects what I am most concerned about, speaking very candidly, you know in this friendly audience, I worry that we are losing very good people, people who believe in the nonproliferation regime as it has evolved over time. These are not individuals who are particularly highly charged politically, but are finding it increasingly difficult to perform what they regard to be their tasks, given some of the principles that are identified here, and the ideological tests, which I think unfortunately, have increasingly governed policy, and so I worry about the ease with which one will be able to recruit back to positions of significance, these very talented individuals, who have worked with you both Democratic and Republican administrations, I think very effectively to promote US interests in the past. Let me take two more questions please.

Q: Thank you very much. Roy Sumirat (sp) from Indonesian Mission to the United Nations. First question that is regarding the PSI. It's not a sin to accept the reality that the international treaties are not perfect. In this situation, should it be replaced, I mean the international treaties – should they be replaced by some initiative that is not coming from internationally or multilaterally, process like Proliferation Security Initiative. Although, we understand that there – our formal situation that these kind of initiative is not the right time to replace the treaties or maybe for complimentary basis, but still for a lot of international community, the question is that this kind of initiative can undervalue the international treaties and also a little bit outside the nonproliferation policy of the United States, what is – how do you see the US policy regarding disarmament machinery, especially, the machinery under the UN system like United Nations Disarmament Commission, the Conference On Disarmament, although the treaty in Geneva is not really part of the UN, because a lot of people said that the US Government does not engage constructively in that forum or in that kind of machinery and trying to find something useful for international community.

Thank you very much.

MR. POTTER: Thank you. Last person in the line here.

Q: Hi, Jill Parillo, I am bridging between Monterey and Carnegie right now. I actually, its funny that he just asked that question because mine is – is basically the same as his first question, but stated much more simply -- is international law, multilaterally negotiated international law losing currency in the NPT regime, and if so – or well if so, what are the implications, or if so will its currency rise again and how? Thank you.

MR. POTTER: Okay, thank you. It's difficult for us to hear some of the questions. I suspect you are having the same problem in terms of hearing both the questions and the responses. So, I will ask the panelists if they are able to perhaps restate the question to which they are responding. Harald, do you want to?

(Laughter)

DR. MUELLER: Okay, yes I will repeat the questions in a way that they are formally laid so that I would like to respond to them. (Laughter). Now, I mean - I take the last ones together because of course both address the issue of international law and treaties. I think that I share Joe's assessment that in the context of nonproliferation the central regime, which is, of course, built around the treaty and lot of collaterally political commitments has been losing currency, and I mean if you are sitting in a review conference and you are told by at least two nuclear weapon states that the commitments of the review conference of five years ago don't count anymore and are not a system of reference on which the review is being based. You ask yourself the whole exercise is worthwhile and why you yourself should make any commitments in that context and since the review conferences are basically the highest authority to interpret what the treaty is meaning with all its stipulations. This is automatically devaluating the treaty and I think this is not without consequences because international regimes as we know from law theory in the domestic context and the compliance with them for the vast majority of the parties depends on basically two factors. The first one is that they have the feeling that they had been having a say in the rules that had been agreed and that they continue to have a say in the way the rules are interpreted and further developed and that is of course disappearing if the rules are made either by a single authority or by a small group of willing collaborators, and secondly, the stability of those regimes depends on their fairness. Fairness in the stipulation and the balance of duties and rights, and fairness in implementation, and here the NPT is clearly wanting, and is wanting more and more by the day and that worries me a lot and since I have a little -- let me say one sentence in response to Henry's response to me on verification of the cutoff.

Now, I mean what we are confronted with is the US government makes a review of verifiability, the review results in a no and that - then it works out for us and says no. Now, what would have been the reaction if the German government in the mid '90s would have made a review of what would later become the additional protocol would have said no, it's hurting our industrial interest so much that we just don't want it and walked out of the negotiations? Well please, please I mean I can tell you about, I can go on to all those about the internal discussions what the additional protocol meant? We did not do that. I mean basically it became a negotiation game between the US and us in the main seats and we ended up in a viable regime and why is this not possible here? For example, why is it not possible that the more sensitive thoughts of the US nuclear complex or the Russian nuclear complex are verified exclusively by inspectors from the P5, which is basically how it is done when the IAEA is going after the weaponization verification which is still increasing - why is it not possible, is that not possible, why do we have to be satisfied with a fiat from Washington when it comes to a treaty that is very dear to us all, if it does ever negotiated.

Thank you.

MR. SOKOLSKI: Well, okay --

MR. POTTER: Let me just --

MR. SOKOLSKI: That's not fair, you can't do that. Okay, finally we get some interesting creative tension. A couple of things, first of all part of our problem with the NPT is because Germany did say no, they said no to a lot of things since 1968 along with Japan and created a heck of problem for us. One of the things they really put their foot down on was pinning any kind of controls over nuclear fuel making, and we kind of kicked the can on all that, and all that's coming home to haunt us and the United States probably was too understanding of that 'no' from Germany and we are regretting that, I've -- I would like to think the Germans are regretting it too because they have shown some leadership in shutting down some forms of fuel-making that are just not economical, okay.

So, you can't just look at yourself and say that you are the model without looking at the history and recognizing that everybody has got clay feet. With regard to verification of bulk-handling facilities, I don't think anyone has faced the music on this, not the US government, not even the IAEA is much as it should although the IAEA and its director have been at least talking about how tough this would be, and at least ElBaradei and Kofi Annan say that once you get separated plutonium and highly enriched uranium, you are basically counting on people's good faith and that is what these plants produce or they can produce them overnight. The idea that you can verify something there, I mean you've got to control these things and not see them spread, and if they aren't economically doubling we have to do something to say no and I don't see much on the part of the German government and, in all fairness, by the US State Department Legal Division to say no, but that better change and we are hoping for your support in making that change.

MR. POTTER: I don't see any further questioners or there are people with lots of questions in the audience, but they have not chosen to step forward, I ask each of the panelists if they have any closing remarks. In any case, we will end in time for the luncheon. Anything further, Harald?

DR. MUELLER: No, just I -- that I love to quarrel with these two colleagues.
(Laughter)

MR. POTTER: Lewis?

DR. DUNN: I will resist the temptation to do my other three points, but I would like to speak greatly to Harald's contention, as much as I agree with you Harald that -- it seems that the Bush administration should have come too soon in terms of being prepared -- it was always obvious that the way they talked over the last three years was one-on-one in the midst of Six Power Talks. I think it was always obvious that if you are going to try to keep the Iranians from acquiring nuclear weapons which may actually be impossible, then you are going to have to cooperate with the EU3 and work in some fashion and then it is - I think to my mind I have to look at the glass half-filled, that finally I think probably triggered by the Libya experience where you actually had to do a deal with

somebody that's – they are now engaged, but I would take issue with you, Harald, on this argument that the Bush administration and the American overall nonproliferation policy is American security number one, pursued without regard to anyone else.

I'm not – I don't want to get into a debate at this point as to whether – it's too bad Bob McNamara has left, whether missile defense is going to turn out to be the Edsel of 2005s and 10s, but if missile defense would work in the theater too, I'm just not talking about you know, the shield over the United States, I'm talking about it in the theater, if missile defense works in Asia, it will turn out to be very reassuring to the Japanese and the Japanese are putting bucks into missile defense, and I think missile defense is not America going out only for itself, missile defense is the United States with some friends who face some adversaries who have long-range and short-range missiles and they are worried about those adversaries.

A robust deterrent, I won't get into a debate about the nuclear cost, but a robust American deterrent is still important in Asia. There are two potential nuclear flash points in Asia, one across the Taiwan Straits and one across the militarized zone in Korea and in both cases the extent to which the other side believes that at some point nuclear weapons could come into play and it will be a very bad idea, it's important.

The third thing, in terms of my mind is the American administration is only out for its own sake. There is a lot of money and a lot of effort is being put into the Cooperative Threat Reduction Program, which many of us have talked about a lot, but to the extent that the Cooperative Threat Reduction Program turns out to be successful. It means that there is a reduced possibility of some type of nuclear terrorist event, not only in the United States, maybe they can't get it over here by truck and boat, it sort of goes off in Berlin. And so, in that sense, I think it's another example where I think it's unfair to these guys to say it's –like at the end, you know, the Rose Bowl where somebody runs around, I am number one – hey.

(Laughter)

MR. POTTER: Thank you, Lewis, when you said Berlin, Harald's hand went up, so I don't know if you want to for one word or two and then I will give it to Henry. Harald?

DR. MUELLER: Okay, I don't deny that some of the things the administration is doing for US security might have positive side effects for the security of others. I think that that's in the nature of a superpower. On the other hand, I mean talking about NMD, I think one must be very blind to overlook what NMD is doing in Russia to keep a latent arms race underway and what it is doing in China to keep – not so latent arms race going. I'm – the positive consequences might there be for Japan and for Taiwan, for these other great powers the negative consequences I think are obvious.

MR. POTTER: Thanks, Henry?

MR. SOKOLSKI: Last words, three points. I think the alliance relationship with our Asian friends and treaty allies is very important. Full stop. If you've got some better way to help us out to get closer to them, you let me know, they're interested in missile defense. So, for the moment, that's not such a bad thing to work with them on if they can. But when those alliances look to be weaker, you want to see an arms race with China; you'll get one. That is how it will work.

The second point, I suppose if I was going to plea with anything to see how things might improve, with the things that I am worried about, it's that the emphasis should go on the enforcement syllable again. To the extent that that happens – a lot of the things that I worry about in that paper, not all of them, but a lot of them go away. So, the initial instinct to emphasize that which I think produced most of the things that are commendable and I'm certainly proud as an American to have seen come out of that factor, I'd like to see it reinvigorated.

Finally, something which I'm a little astonished nobody said on this panel, at some point real soon, being tough has to apply to ourselves. A lot of people talk about the military sector and how we haven't disarmed enough, actually, at least there – there is something going on and it's in the right direction. I think where the restraints you are going to have to apply, and we have to start thinking much more clearly, is with regard to civil nuclear power, we regard them most uneconomical, dangerous, and unsafe guardable forms, and boy, do we need a lot of work there and part of the reason we haven't gone forward frankly is that our allies haven't gone forward enough for the most part with the exception of the Germans.

MR. POTTER: Okay.

MR. SOKOLSKI: So there, on a positive note.

MR. POTTER: I don't think we're going to forge much more consensus than we achieved in the last 15 seconds. So, I think I will conclude the panel on that note. We have informed consensus, but hopefully we helped to illuminate some of the important issues, and I thank you for your participation and thank the panelists as well.

(Applause)

(END)