



**DEFENSE FORUM FOUNDATION
Defense and Foreign Policy Forum**

“National Security Challenges for the Next Two Years”

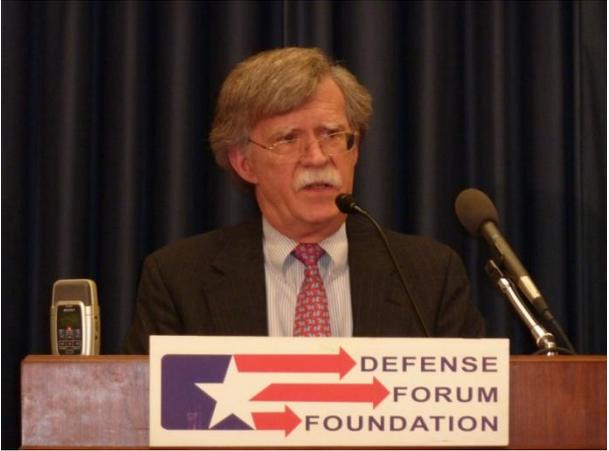
**Welcome and Moderator:
Suzanne Scholte,
President,
Defense Forum Foundation**

**Speaker:
Ambassador John Bolton**

Friday, January 28, 2011

TRANSCRIPT

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SUZANNE SCHOLTE: Good afternoon, if I can have everybody's attention, we're going to get started. I first want to send greetings from Ambassador Bill Middendorf, our Chairman, he is on his way down from New York, having had his flight canceled he is on the Amtrak, he's running a little late – he will be here. But he wanted me to send you his regards and he will be here soon.

I'm Suzanne Scholte, I'm president of the Defense Forum Foundation, and while Ambassador Middendorf isn't here yet, I want to mention something about him that he wouldn't tell you, he just won, was honored with the Distinguished Service Medal from the Department of Defense. So when you see him you can congratulate him about that because he wouldn't tell you that himself because he's such a humble person, but anyway Ambassador Middendorf will be joining us shortly.

Thank you all for being here, I know that it was a kind of a tedious day to get to work this morning and I want to thank you all and welcome you all, especially those of you who are coming to our forum for the first time, I hope you'll become regular participants; the Defense Forum Foundation started these forums back in the 1980s as a bipartisan, collegial program where Congressional staff can get together and hear from expert speakers on national security issues and the promotion of democracy, freedom,

and human rights. So I hope you guys that are new to the forum today will become regular participants.

I want to acknowledge a few of our special guests that are with us this morning before I introduce our speaker. First of all I'm pleased that from the Republic of Korea, Dr. Jangwon Jo is here, Dr. Jo, welcome. And Mr. Faisal Al-Enezi, from the Embassy of Kuwait is with us, somewhere I think, okay. And also Ambassador Mouloud Said of the Western Sahara is with us this morning. And our special guest of Ambassador Middendorf, Michael Gerwirz is here with us this morning. We also have from the Defense Forum Foundation Board of Directors, Ambassador Frank Ruddy; our Vice-Chairman Ty McCoy; Jeb Carney from our Board of Directors; and DFF's founder and also on our Board of Directors, Chad Gore. And briefly I'd like to introduce our staff as well, Henry Song here in the back, whom I think you all saw. And our interns – actually Sue's a veteran- she was an intern last year but she came to help us today and Sue Kim and Ana Jang who's interning for the Defense Forum Foundation, right here.

So our speaker John Bolton currently serves as a Senior Fellow at the American Enterprise Institute, where his expertise includes United States foreign policy and national security policy. Prior to arriving at AEI, Ambassador Bolton served as the United States Permanent Representative to the United Nations. He also served for four years as the Under-Secretary of State for Arms Control and International Security. Ambassador Bolton has spent many years of his career in public service. Previous positions he's held include Assistant Secretary for International Organizational Affairs at the Department of State, Assistant Attorney General at the Department of Justice, and Assistant Administrator for Program and Policy Coordination at the U.S. Agency for International Development. He's beloved by many Americans and by many individuals across the world who have fled totalitarian governments for his outspokenness on behalf of democracy and human rights and for his steadfast principles. In fact, if you ask any North Korean defector, Chinese human rights activist, or a Saharawi from Western Sahara, they will respond 'we love that American guy with the bushy mustache!' (Laughter, Applause) It's a great honor to have Ambassador John Bolton with us today as our opening forum for 2011. Ambassador Bolton? (Applause)

AMBASSADOR BOLTON: Well thank you very much, Suzanne, thank you very much. And thank the Defense Forum Foundation for inviting me back to speak and I want to thank all of you for coming today. I hope we're all here at lunch it's not snowing as hard as I worry it would be, because I think predictions as you probably know by now if you're not from this area, predictions about snow in the Washington area are notoriously unreliable when they say 'don't worry it's only quarter of an inch', it's time to worry, it's going to be a lot more than that.

But I wanted to just take the opportunity here of being half-way, at least I hope we are, half way through the Obama presidency to review what has happened internationally in the first two years and try to assess what the prospects might be in the succeeding two years. Because, I think while the media and the President himself have tried to focus on domestic affairs, the rest of the world isn't waiting for us to get our economic house in order. The challenges and threats to American interests and those of

our friends and allies around the world are building day by day and – the question of how we respond to them or whether we respond to them, I think will be increasingly important as we go forward.

So let me try first see if I can identify some of the characteristics of President Obama and his Administration and how he approaches foreign policy because I think that does have an impact on the substance of policy, and then talk about a number of important areas where I think some of our most important challenges are going to come and then at the end I'd be happy to try to answer some of your questions on those subjects or anything else that I don't cover.

I think the most significant aspect of the President's approach to foreign and national security policy is that he basically doesn't care about them. I think this marks him as different from the long line of American presidents since Franklin Roosevelt, the beginning on December 7th 1941 virtually all of whom got up every morning worrying about threats to American national security policy, what motivated them, what was at the top of their agenda. I just don't think that's the priority that President Obama has. It's not that he doesn't ever deal with foreign and national security policy of course he does, but typically only when he has to and when it can't be avoided. And you get the sense it's almost an interference, a nuisance in the way of his pursuit of his domestic agenda.

Second and related to the first point is I don't think he sees the rest of the world as terribly challenging or threatening to American national interests. I think he demonstrated this during the 2008 campaign and many of his actions since taking office he has desperately tried to avoid the phrase 'Global War on Terrorism' perhaps thinking that if didn't talk about a 'War on Terrorism' there wouldn't be a war on terrorism. He said during the campaign for example that 'Iran was a tiny county', implying that maybe if it had nuclear weapons it would be a tiny threat. Now it's certainly true that we don't face the civilization ending prospect of an exchange of nuclear salvos with the likes of the Soviet Union as we did during the Cold War, but even a small number of nuclear weapons in the hands of a rogue state can pose a challenge. If you had to ask which American cities would you prefer to lose to two or three nuclear weapons you can see why even though the threat is asymmetrical it gives the holder of the nuclear weapons capability enormous leverage over the United States. Moreover even a tiny country with a small number of nuclear weapons can obliterate other tiny countries nearby. Ask the Israelis – it doesn't take a thousand nuclear weapons to turn Israel to an ash heap and create a second nuclear holocaust. So what's tiny to us is not so tiny to other countries. But it's the whole idea that Iran is small, it's insignificant, it doesn't have to worry us under the current regime, that I think gives away the President's real view that threats and challenges to America have been exaggerated.

Now typically if you combine two attitudes like that in American history you would end up with a policy of Isolationism, but that of course is not the direction the President's taking and instead he is a very strong believer in multilateralism, both through the United Nations, the G-20 and other multi-lateral groups that he's very comfortable subsuming American leadership in the larger collective action. Now look,

alliances, international organizations are part of any American President's toolkit. But the difference is in this case the toolkit becomes more important than the leadership.

And I think that's why when you put all of this together that it is best to understand President Obama as our first Post-American President, and it's a very carefully chosen phrase – I didn't say Un-American, I didn't say Anti-American, I said 'Post-American'. And the same sense that many residents of European countries don't think of themselves as, you know, merely French or merely German anymore - now, they're European, they're beyond patriotism, they're part of something larger and I think the President sees himself as something larger as well.

Now, this conglomeration of attitudes is not the first time that a leader of the Democratic Party has had these views – it's obviously the first time that a leader with those views has become president. But it reminds me very much of what George H. W. Bush said back in 1988 when he accepted the Republican nomination for President and talked about his opponent, Governor Michael Dukakis. Bush 41 said back then referring to Dukakis said 'he sees America as another pleasant country on the United Nations roll call, somewhere out there between Albania and Zimbabwe', and I think what Bush said about Dukakis you could say of Obama – 'we're one of 192, we're nothing particularly special', and that's really what motivates him.

Now, those of you who watched the State of the Union earlier this week will say well that analysis is obviously false, look at what the President said about America- he gave a very patriotic speech. Indeed he did, marking the onset of the 2012 presidential campaign. I think that the fact that so many people comment on those aspects of the speech reflects the awareness that it does represent substantial departure at least at the rhetorical level from the way that the President has performed from before. But I don't think it's a departure that goes beyond the rhetorical; we'll see obviously in the next two years. But based on the evidence of performance to date I think that these foundations of the President's attitude toward foreign policy are going to continue. And I think that other leaders around the world have come basically to the same assessment. I think they understand the President takes a very different view of America's place in the world than most of his predecessors and they have calibrated their policies toward us accordingly. They see weakness and unassertiveness, and they're going to try and take advantage of it. So, I believe actually the scope of foreign policy challenges in the second two years are likely to pick up over what they've been in the first two because as I say people around the world have been readjusting their policies to take the administration's view of the world into account.

And let me just give a few examples I think of how the President has played these policies out. Let's just start with China, having hosted here in Washington President Hu Jintao for a summit meeting. I thought it was a remarkable meeting, it was probably the most substance-free summit meeting that we've seen in a long time and I think that is a reflection of the lack of grand strategy vis-à-vis China that we see in this administration.

You know, their basic motivator is one shared by many American business leaders and academics and others, and that is the idea that China is engaged in a

peaceful rise, and that it will become a responsible stake holder in international affairs. That's certainly one possibility, that's a very desirable possibility, it may turn out to be true, but there are a lot of other scenarios as well, of a much more disruptive China, much more troublesome, much more challenging to the United States. I think the peaceful rise and responsible stakeholder scenario's based on more or less straight line projection of Chinese policies since about 1990 – economic growth accompanied by a larger presence in the world, but I don't think that's necessarily the way you project policy into the future for a country as enormous and with a history that China has, take a slightly longer period to project for.

Let's take a hundred years instead of twenty years what's happened in the last hundred years in China. Well, you've had the fall of the last imperial dynasty, the first establishment of the Republic of China, the first fall of the Republic of China, the break-up of China into warring warlord states, the invasion of Japan, the war against the Japanese, the civil war between the Chinese Nationalists and the Chinese Communists, the defeat of Japan in 1945, the second establishment of the Republic of China, the second fall of the Republic of China, the retreat of the Chinese Nationalists to Taiwan, the establishment of the People's Republic of China. Then, in the 1950's the Great Leap Forward, the most tragic economic policy in the history of the world, more civilians killed as a result of the Great Leap Forward than any other government policy in mankind's history, then followed by the Great Proletarian Cultural Revolution which destroyed untold wealth of Chinese culture and history, then followed by the political repression at Tiananmen Square, then followed by twenty years of economic growth.

So, you want to take a century of Chinese history and project it forward you would project a century coming of radical discontinuity, conflict, and uncertainty. And I think when you look at some of what's happening in China today, the inevitable demographic effect of the one child per family policy, the question that many business leaders, American, Japanese, European, have raised about the authenticity of the statistics about Chinese economic growth, the disparities in income that have arisen, the political shape of the Chinese government – you still have to have a lot of questions about what is the most likely scenario for China going forward. We can see unequivocal evidence that the People's Liberation Army remains the strongest and most cohesive force within the Chinese Communist Party which remains the dominant force politically in China. The government has dramatically increased spending to augment China's strategic nuclear weapons and delivery capabilities, enhancing their submarine fleet, moving toward a real blue-water navy, increasing their investment in area-denial and anti-access weapons like anti-aircraft carrier cruise missiles, their anti-satellite warfare experimentation, their obvious success at developing highly advanced cyber-warfare capabilities and on and on and on.

All of which are accompanied by a increasing political assertiveness as demonstrated by really, extraordinary claims to sovereignty in the East and South China Seas, and their disputes over American military access even to the Yellow Sea in connection with the recent problems with North Korea. All of this presents an enormously complex series of challenges to any American administration but I think our administration has responded basically by turning away and worrying about China's

currency policy. Honestly, I'd worry about our own currency policy more, as our deficit according to the Congressional Budget Office this fiscal year will be near 1.5 trillion dollars, and the President's response is to say he's very concerned about it and to deal with the 1.5 trillion dollar deficit mostly will freeze spending at current levels except for a few areas where we will increase spending. So I want to say all of you staffers who are just starting your careers I want to thank you very much for taking on this debt that you and your children will pay for the rest of your lives, and consider the economic consequences for the country because that is going to undermine our strategic projection capabilities beginning almost immediately.

So here we have a situation conceitedly it's very difficult for the United States to affect a lot of what is going on in China. But to act as if these challenges don't exist at all or simply to ignore them or not deal with them or not to begin strategy for them I think is extremely troubling. And what I've just said about China I could say as well about a resurgent Russia, whose president – whose prime minister formerly president Vladimir Putin once said few years ago the greatest geo-political tragedy of the 20th century was the breakup of the Soviet Union. Now I think most of us think that the breakup of the Soviet Union was a pretty good way to end the 20th century, that's obviously not Prime Minister Putin's view and it's clear what he wants to do is reestablish Russian hegemony within the space of the former Soviet Union, not necessarily recreate the USSR but reestablish it as Russia's backyard. Ask people in the Republic of Georgia what it's like to be the recipient of that policy.

And what's our response? We want a 'reset button' because during the Bush Administration our relations with Russia deteriorated. Well yes indeed they did deteriorate because of Russian aggressiveness, Russian threats to cut off oil and natural gas to eastern and central Europe and the flow through to western Europe, this drive to reassert Russian role in the former Soviet Union, Russia's flying political air-cover for Iran and North Korea's nuclear weapons programs in the Security Council. And the Administration's response is to sign the new START Treaty as part of the 'reset' policy and when one asks what have we gotten from Russia from this 'reset' policy, the answer is, 'we got the new START Treaty!' So, it's a completely circular form of logic as the Russians behave in a nearly belligerent fashion our response is to limit our offensive nuclear weapons capabilities in a way that constrains us, that does not equally constrain Russia. Russia has its legitimate defense needs, as do we; Russia has by my count one treaty ally in the world, Belarus – congratulations. We've got a nuclear umbrella that protects our friends in Europe and Asia, has provided really the cornerstone in strategic stability internationally and that nuclear umbrella is developing holes in it. When other countries see that our nuclear capabilities are deteriorating they will naturally ask themselves the question 'ought we to be looking out for ourselves?' So that our weakening of our nuclear capability does not achieve the President's objective of moving toward a nuclear-zero world but actually increases the incentive for our own friends to find ways to protect ways against external threats.

And there I think the Administration has also really performed in a way that has allowed challenges in the proliferation area especially in the nuclear field simply to grow. The Administration's rhetoric, certainly the President's idea of nuclear zero must be

based by definition on rogue states like Iran and North Korea giving up their nuclear weapons programs of which there is absolutely no evidence, indeed all the evidence is to the contrary.

The President started out his Administration by announcing in his inaugural address that he wanted to negotiate with North Korea and Iran – he said ‘we will extend our open hand if only they will unclench their fist’ – well, that is a policy of complete naiveté in my view and it’s been treated as such by the intended recipients on the other side.

North Korea detonated a second nuclear device and received in response only a modest increase in sanctions and renewed US activity to reactivate the failed 6-Party Talks. Just recently North Korea revealed a uranium enrichment capability that many even in the Bush Administration denied they were pursuing. While at the same time building a new nuclear reactor at Yongbyong to replace the one that they had before which was held together by chewing gum and bailing wire, demonstrating that North Korea, this desperately impoverished county, subject to more economic sanctions than any other country in the world still somehow finds resources to expand its nuclear capabilities. And I would have to say I don’t think that uranium enrichment facility they revealed is the only one North Korea had, they wouldn’t build it at Yongbyong where we already know the target coordinates unless they have one or more backups in those mountains of North Korea where we have no idea what’s going on underground.

So North Korea is making progress even as it faces the challenge of regime transition in the world’s so far only hereditary communist dictatorship, and our response seems to be still simply limit it to trying to get the 6-Party Talks going again. That is a failure of imagination that has to impress others around the world also thinking of developing their own nuclear weapons capability and it appalls the leadership in countries like Japan, which visibly feel the threat from North Korea, and worry that the United States is not going to respond in ways that are appropriate to provide for the defense of its allies like South Korea and Japan in the region.

I think actually the failure gets even worse when it comes to the case of Iran, where not only has the administration spent two years wandering the world looking for some Iranian official to shake hands with. It has failed to do even the minimum steps to support the Iranian opposition, and we saw – which, I want to be fair here, isn’t much worse than the record of the Bush Administration in its second half which didn’t do much to support the opposition either.

Many people say well you don’t want to provide any material assistance to opposition groups in Iran because that will taint them. It will allow the mullahs to say that they’re just tools of the Americans and it will make the opposition less effective. I have two responses to that. First is, the mullahs are going to say that anyway, they did in the aftermath of the fraudulent elections of 2009, actually they blame the Brits more than they blamed us, which leads me to wonder why the Brits were doing more than we were. But point being, it doesn’t matter what we do or don’t do, we’re going to get the blame for it anyway, so my thought would be if we’re going to get blamed why not

achieve something. But number two, I've recognized that this prospective taint is not theoretical, it could happen, but why not let the opposition groups make the decision - if they don't want to take the American assistance, so be it. But if they do, I think you have to judge, they've figured they're capable of handling the question whether or not being involved with the United States makes it harder for them to carry out their work domestically in Iran.

But obviously the real questions, the real threats that Iran poses are internationally two fold – their long and now very nearly successful quest to have a deliverable nuclear weapons capability. And second, the terrorist threat they pose around the Middle East and around the world. They are equal opportunity terrorists; you don't have to be a Shia like Hezbollah to get their support. Hamas in the Gaza Strip gets support, both terrorists of all kinds of stripes in Iraq get their support and they even support their former sworn enemies the Taliban in Afghanistan. So this is a threat that I think we have understated for the last two years at our peril, as we have understated the threat of the Iranian nuclear weapons program.

Now, recently you can hear the Administration saying that economic sanctions have slowed the Iranian nuclear program down. Now, I would have to say this is one of the most fanciful claims I could remember in a long time. There's no evidence that that has happened, and in fact the Administration itself has shifted the rationale for the sanctions policy over these two years away from the idea that the sanctions would stop the nuclear weapons program, to the rationale that the sanctions will bring Iran to the negotiating table. Now that's not a subtle shift, that's a pretty dramatic change in what you think the effect of the sanctions would be, and how has that shift played out in practice? Well, we just saw this past weekend the Perm-5 plus Germany's most recent negotiation session with Iran that turned into a gigantic thud. So if sanctions aren't stopping the nuclear program as such, and the effect of bringing Iran back to the negotiating table is for them basically to tell us to take a hike, that real performance, not rhetoric I think tells you what the sanctions are accomplishing which is precious little.

Now I favor the sanctions because anything that puts pressure on the regime is a good thing but I don't think we should have any illusions that they're going to have a real impact on the nuclear program itself. And as for the fabled Stuxnet virus, I believe it did have some impact in slowing Iran's program down and I have a lot of respect for Mossad as an intelligence agency since that's probably where it came from, and I also think Mossad is an incredibly effective propaganda agency. So if your opponents think you're 10-feet tall, and you're telling the world, 'well, you know, you could only imagine what we really did', then you might as well be 10-feet tall. This virus affected the uranium enrichment activities of the Iranian program, I think they will now be much more defensive in how they take the enrichment program forward but there's no claim that it had any effect on any other aspect of Iran's activities – the weaponization activities, or the ballistic missile programs, which we know have been conducted now almost for 15 years in close connection with North Korea.

We know a lot less about the connection on the nuclear front but we do know courtesy of the Israeli Air Force that North Korea was building a nuclear reactor in Syria

up until Israel destroyed it in September of 2007, and I don't think they were constructing that reactor which was a clone of what they had at Yongbyong, because of North Korea's common border and long cultural ties with Syria (Laughter) nor was Syria financing it. I think we'll find out ultimately it was a three way joint venture paid for by the Iranians, and it leads to the question if they were doing that in Syria, what else are they doing in Syria, but what are they doing in other countries where we are not looking like Burma.

So this Iranian nuclear program remains a growing threat, I think the Iranians are much closer to a nuclear weapon than some of the more optimistic estimates and in any event that's not the only test, part of the test is the breadth, the scope, the depth of Iran's nuclear infrastructure and that's proceeding right along the construction of the heavy water production facility at Arak. All of this is continuing while we're still waiting for negotiations to begin, let alone to succeed.

And I think Iran's terrorist threat, it is now even more obvious as well, the press this week of course is filled with reports about the overthrow of the government in Tunisia, the challenges to the governments in Egypt and Yemen, but let's not forget that at the same time, Iran is doing its best and I'm afraid with considerable success to subvert pro-democracy progress in other countries.

In Iraq, I am very concerned if by the end of this year in fact American forces are withdrawn that we will see Iranian influence growing and the al-Maliki government or successor basically repressing the opposition in Iraq and undoing a lot of the good that's been done there, and even more dramatically right now, even as we meet, the Hezbollah terrorist organization has succeeded in imposing a new government in Lebanon dependent on the Hezbollah block in parliament that I think very much puts at risk the progress of the Cedar Revolution and indeed the very viability of the Cedar Revolution in Lebanon. Hezbollah now has all three major constitutional offices in Lebanon in the hands of people essentially subservient to Hezbollah, meaning subservient to Iran. And the risk even in some of the other countries, Egypt and Yemen, in particular is the extremist of a different stripe could take advantage of the instability in those countries to get rid of regimes that may not look like Jeffersonian democracies to us but which in retrospect would look a lot better than the Muslim Brotherhood in control in Egypt or Al-Qaeda in control in Yemen.

And yet while all this is going on, since Mouloud is here I want to say it still mystifies me that we have not been able to conduct a referendum in the Western Sahara after all these years of efforts, to allow in a true democratic fashion, the real residents of the Western Sahara, to express their views on what they want for the future of their country. It's a great tragedy and I hope not a lost opportunity in the region to show what legitimate democratic institutions can do.

So as you can tell I'm wildly optimistic about the next two years (Laughter) and I do think that it's an issue that deserves more attention in our national political debate. Obviously like everybody else I understand that in 2008 we had an economic crisis, that the economy was in grave peril and that Americans understandably worry first and

foremost about their own livelihoods and their families and so on. I think all of the evidence we can see is not because of the Administration's policies but in some cases despite them the strength of the American economy is about to reassert itself. I think we're going to see a real economic recovery this year or next, I'm optimistic about that. But in any event as I said at the outset, foreign adversaries are not waiting to see how that turns out. They're not really all that interested in whether we restructure our domestic healthcare system or not although I do like to say that both Mahmoud Ahmadinejad and Kim Jong Il in the healthcare debate would undoubtedly prefer the public option. (Laughter)

This question of our national security is something that a President should be able to handle along with domestic affairs, he should be able to walk and chew gum at the same time. But I think all of us as citizens have an obligation as well to insist on it, to say to our candidates and leaders we want to know more about how you plan to address the challenges we're going to face in the rest of the world because no matter how strong our economy is here, if we're not facing those challenges adequately, long-term the future of the United States remains in jeopardy. I don't think that's happened enough in the past two years, I think it's very important for Congress and others to raise it on the list of priorities going forward and I hope all of you here today will help out in that effort.

Thank you very much. (Applause)

As I said I'd be delighted to answer questions about whatever I've covered or the huge array of subjects that I didn't cover in the interest of time, I don't know if you have a microphone, I guess you do, perhaps if you can just identify yourself for the benefit of others in the room. Yes sir?

Q: I'm Jordan Clark, I'm Chief of Staff for Congressman G.T. Thompson of Pennsylvania. On Egypt, what are Mubarak's options to stabilize the situation, first question. Second question, what's your opinion on the way the Administration is handling the situation?

AMBASSADOR BOLTON: Well obviously there's a lot we don't know about what's happening in Egypt but I have to say I think the regime is facing a real threat. I don't think this is a passing fancy, it may have originated with the social networks reporting the events in Tunisia, but obviously there's a deep-seated dissatisfaction with the regime. I think the risk however is very, very grave that the baby gets thrown out with the bath water here.

I think Egypt's a very different situation, this is not just about Mubarak or even Mubarak's son, it's about the military government that's ruled Egypt since King Farouk was overthrown in the early 1950s. I don't think it will go easily. And so I think there could be enormous turmoil in the streets and real potential danger there for stability in the country as a whole. That's why I think the development today that the Muslim Brotherhood called its supporters out into the street really shows why this is a problem that may not have very good solutions. Like everything else in politics, this is about

choices. If the choice were between the Mubarak regime on the one hand and a functioning civil society and democracy on the other that would be one choice. That's not the choice I think we have at the moment but the more likely choice unfortunately may be the regime versus the Muslim Brotherhood, and the consequences of that would be extraordinarily dangerous for America, for Israel, for other friends and interests in the region as a whole.

Now, in terms of how the Administration has handled it, I think the reaction has been confused although in fairness I will say obviously nobody saw this coming, including some of the leaders of the opposition who were partying outside of Egypt when the demonstrations began. So I think that it may not be entirely justifiable but it's understandable that the initial reaction has been somewhat confused. My recommendation would be to be pretty low key publicly at this point, I think there's too much that we don't know, I think there's too much risk of mushy statements that just make things worse rather than clarifying them. I'd like to know a lot more about what the ground truth is in Egypt, but I think it would be a real mistake to underestimate the seriousness of this threat and the risk to American interests of this not turning out in a way that leaves us with a stable, friendly, government in Egypt and I think that's got to be a touchstone of our policy to protect our interest and those of our friends and allies there.

Q: Where do you see the Chavez regime going and the American interests in that region and the potential for destabilization in the hemisphere?

AMBASSADOR BOLTON: Well, I'm – the question was about the Chavez regime in Latin American, I'm very worried about it. I think that Chavez, all of us for too long have treated him like a clown rather than a threat because he behaves like a clown so it's entirely understandable. I've once heard President Bush call him 'Castro without brains', which is a pretty good description, (Laughter) but I don't think you should allow his behavior to diminish the threat he poses and I think he does pose a threat to fragile democratic societies in the western hemisphere; he's obviously intervened in places like Peru and Bolivia, Ecuador, the Mexican presidential election recount. He provides arms, assistance, sanctuaries to the FARC guerrillas in Colombia, his efforts to take on Argentinean debt I think posed a real problem to that country. I don't know to the extent he's involved in the Mexican drug cartels but it wouldn't surprise me if he's doing it just to cause more trouble for us.

And he is in a very material sense a different kind of threat than Castro was even during the height of the Cold War because the Soviet Union always held Castro on a pretty short leash economically. He was able to do what they wanted him to do. Given the price of oil where it is, Chavez doesn't have any external master and he's got a lot of discretionary income unfortunately, even as he works to consolidate his power inside Venezuela. And if all that's not bad enough, we can see in the past several years he has reached out to Ahmadinejad and the Iranians, he has contracted with the Russians for weapons systems, advanced weapons systems, well beyond any legitimate Venezuelan defense requirement, for nuclear reactors from Russia, he has allowed Iran to set up its largest embassy in the world I believe according to reports, where I'm sure they're

working hard to circumvent sanctions that have been imposed on Venezuela. And if his people believe the Venezuelan uranium reserves are second only to Canada's in the world, cooperation between Venezuela, Russia and Iran could be very, very troubling in terms of nuclear issues in this hemisphere.

So this regime is a real threat, it appears to be entrenching itself inside Venezuela, and I'm afraid that our reaction at least as demonstrated by dealing with what happened in Honduras at the very beginning of the Administration was to try to appease Chavez in hopes he would tone down his policies- there's no evidence that's happened.

I think the democratic regimes in Latin America would prefer a little more American leadership on the question although I don't think they'll put it in exactly those terms, I don't think they're going to get it unfortunately, I think we've got another administration, another in a long series I will say that comes into office saying 'you know we're going to pay more attention to the western hemisphere', and then doesn't do it. Yes sir?

Q: Yesterday – I'm Albert Hong from Radio Free Asia, yesterday Christopher Hill said the 6-Party Talks are useless right now because they always tell lies, so -

AMBASSADOR BOLTON: North Koreans always tell lies –

Q: Yes, so what do you think is the best way to handle North Korea, what we need or what do we have to do?

AMBASSADOR BOLTON: Well, let me just underline for listeners, that as you point out, that was Chris Hill who said that (Laughter). Now, I've been saying it for eight years I think, and I just want to say I believe in the power of redemption and I'm glad that Chris has come to that point. Now he can apologize to me and everybody else that he ignored all those years, and in any event welcome to the right side of the debate Chris, finally. (Laughter)

The North Koreans are not going to be talked out of their nuclear weapons program. That's as clear as can be. I think the United States has to focus on the only ultimate solution to the North Korean nuclear weapons problem, and that's the peaceful reunification of the peninsula. As long as the regime in North Korea exists, the nuclear weapons threat will remain. And nobody should have any illusions that we can appeal to the North Koreans somehow to loosen up their policy for the good of their people. The North Korean population now is on an individual basis four to six inches shorter than the population of South Korea, that has happened in the sixty five years since the partition of the Korean peninsula. That's what the policy of the North Korean regime has done by creating a prison camp that now is inhabited by 23 million people. Any regime that is capable of doing that to its own citizens is not going to be persuaded by the idea of improving the life of its citizens.

So the question obviously is how do you accomplish reunification, and I think the answer is it has to be focused and consistent pressure on China, to persuade China that

its current policy vis-à-vis North Korea is schizophrenic. China says we don't want to have North Korea with nuclear weapons because we don't want to destabilize northeast Asia that will affect our economic growth, I take them at their word. I think that analysis is entirely correct. But the Chinese are not willing to do anything that might risk destabilizing the regime which they properly worry could be collapsed very easily because they don't want reunification. They fear a reunified Korea will bring American troops up to the Yalu River, on the border with China. They didn't like that movie in 1950 and they don't like it any better today. I think they've got to be persuaded that they should get on the right side of history, the two Koreas will be reunited just like the two Germanys were, it's a historical anomaly to have the peninsula divided. And China would be a lot better off from its own perspective to support reunification and the expanded trade relations it will inevitably enjoy with a reunited Korea.

I think the Chinese leadership is divided. I think the older generation still remembers those glorious days when the Communist Parties of China and North Korea were as close as lips and teeth as they used to say, good luck with that. But I think the younger generation of Chinese leaders – by that I mean people in their sixties – take a very different view of North Korea. They see it as the baggage that it is; they see the negative effect it is having on stability in northeast Asia and on China itself. And I think they're a lot more willing to cut their losses and move forward than people think, but you don't move China on this issue easily or quickly, and it takes I think extended dialogue and pressure and we're not doing that. That's the direction I would move in. Yes ma'am.

Q: Sir thank you for your comments today, your critique is extraordinary and hope to see you around in 2012. Having said that, I want to get your thoughts on Turkey, whether it's moving eastward, are its bonds irretrievably broken with Israel and also get your thoughts on the unrest currently going on in the Balkans, in terms of Kosovo and Albania.

AMBASSADOR BOLTON: Well I think Turkey is definitely moving away from the west, I think that's a great tragedy but I think we've seen this movement for some years now. I think our inability to win Turkish approval to bring in an infantry division across Turkey, our NATO ally, to deal with Saddam Hussein back in 2003 was an early warning of that, but I don't think it's irreversible. I think Turkish democracy remains strong and I think it can be changed, but it's not, the signs are certainly very worrying at this point.

I am worried about Kosovo and what it might mean in the Balkans. I think that the breakup of Yugoslavia is still not finished evolving and that the prospect for real turmoil there remains. Again, it's just one of those foreign policy issues that it's hard to find out who in the Administration is really focused on it. Like so many other issues, it just seems to get lost in the shuffle and I think that's unfortunate and potentially dangerous in Southeast Asia as obviously would be a Turkey that really went over the edge into a harshly Muslim, Islamist, politicized Muslim kind of authoritarian government, because I think that would have a major negative impact on Europe and the United States as well.

Maybe we'll do one or two more questions here. Yes sir.

Q: Yes sir, Jason Knapp, Navy Fellow for Congressman Todd Akin. With the increase in Chinese defense expenditures doubling over the past year, granted much less than what we have in our own budget, it's probably going to contain the increase, do you see in the future the Chinese military looking to just continue to maintain its defensive posture or are they going to start looking at transoceanic navy and to follow up on that with your comments with North Korea, President Lee has commented most recently with the Northwest Islands issues that any other transgression by North Korea will be met with airstrikes, how do you see China jumping in on that if that does escalate.

AMBASSADOR BOLTON: Well let me try to take on first this sort of general question about Chinese military expenditure levels, and military expenditure levels around the world. Secretary Gates is fond of saying that the U.S. military defense is larger than the combined budgets of the next whatever number is, 13, 22, the number seems to change. But point being, we have a big defense budget. That's right. We face a lot of threats. We are the only world-wide superpower. And we have a lot of obligations that other countries don't have, number one.

Number two, I don't think we really know what China's defense budget is. I think they publish a figure that they say is their defense budget that may or may not be related to what the actual budget is.

Number three, this is not a question in many cases of what the outcome of military hostilities between China and the United States would be. Nobody's asking for that, nobody should want that. We should be trying to prevent it. But as Chinese capabilities build up, they are at an absolute minimum dramatically increasing the risks and costs to the United States of behavior simply in defense of our own interests and those of our friends and allies. And I think the government in Beijing fully understands that.

Fourth, as was demonstrated during Secretary Gates' visit, I'm not entirely sure we understand what the full development of Chinese capabilities is. Secretary Gates said when they flew the J-20 when he was there, 'well gee, that was really surprising', said the ex-intelligence official. And the same official who canceled the F-22 Stealth fighter on the ground that we didn't have to worry about competitive stealth technology at that level. Well, wrong again. Let me be clear, I understand we're in a period of great budgetary constraint but we also face substantial threats around the world and great uncertainty about the direction that those threats will take, what form that they'll take. Which means, the pressure on our defense expenditure is going to have to remain.

And then my final point is it's not a measure for the United States that we are ahead of other countries if it came to hostilities, which we don't want but if it came to it I don't want the United States to be in a fair fight. I don't believe in fair fights, I want to win overwhelmingly because that reduces the cost in American lives and risk to our interests. And the more overwhelming our capability is, the less likely you get into hostilities to begin with because not only do you have an extraordinary deterrent effect

you have a dissuasive effect on countries saying, 'we're not even going to go there', it's just not even worth the expenditure to try to challenge the United States. China's obviously well past that point. They're not dissuaded and they're not being deterred either. Now, how would this play out? How would these additional air and naval capabilities work? Not in direct conflict with the United States, at least not for the foreseeable future, that's not what we're talking about. What we're talking about I think in the short term is Taiwan.

Now, China doesn't want to have a war over Taiwan. China wants to fall onto its lap. And how will it do that? It will do that by threatening hostilities and seeing how the United States reacts. When China torqued up the pressure on Taiwan in the Clinton Administration, President Clinton sent two carrier battle groups to the Strait, to the Taiwan Strait. End of problem. How many in this room think Barack Obama would send two carrier battle groups to the Taiwan Strait if Taiwan were threatened? Exactly what I thought. I've posed that question to a wide variety of audiences, and I'll tell you if I were living in Taiwan, I would be nervous. Because what China wants to do is to be able to project its power out beyond the famous first island chain and make it very hard for the United States to come to the defense of Taiwan, to the point that Barack Obama would say 'I'd rather worry about health care than Taiwan'. And then China achieves its objective getting Taiwan back, no hostilities at all. That's the kind of scenario they would like to see play out and one has to say as the risks to the United States and the cost to the United States of potentially defending Taiwan grow, you can see in Congress, at least I would worry you would see in Congress, an increasing lobby of people who will say, 'let it go'. When that attitude spreads, it doesn't stop at Taiwan.

In terms of North Korea, you know, the government of South Korea now takes a more realistic view of North Korea than its two predecessors did. And I think they understand better than we do that the real issue here in the short term is the regime transition in North Korea. It's by no means, this is not like England, you know where the eldest son, when Queen Elizabeth finally goes to her reward, there's no doubt that Prince Charles will finally get to be king, and since he was born eight days before I was I know exactly how old he is and I know how long he has waited to be king. (Laughter) He will be king. And nobody will overthrow him. But that's not true for Kim Jong Un. This is hardly baked in the cake. While it's superior risk therefore for South Korea, Japan, and the United States, it's also a period of opportunity. That regime in North Korea is very fragile and it could come down easily. And we ought to be talking to China to avoid problems if that happens because I think if there were real instability in North Korea, we and South Korea would go in to secure the nuclear weapons and to try to prevent massive refugee flows and we want deconfliction with China, we don't want to stumble into something as a result of not having communicated. I don't think there's much evidence at all we're in serious discussion with the Chinese on that point. I think this is further evidence of just a lack of attention to some of the issues and challenges that we face. Ty?

Q: Just a quick question on the Defense Forum Foundation's programs on broadcasting into North Korea, balloon launches of radios and so forth of trying to get information past the government to the people, do you think that has had any effect, do

you think it's an effective way to try and spread some 'Radio Free' type information into that country?

AMBASSADOR BOLTON: I think it's very important to do that. What we've learned from defectors from North Korea is that information that comes in from the outside is actually disseminated among the people very widely and very quickly. I don't want to paint an optimistic picture, I'm just saying the population is hungry for information and would welcome the opportunity if it arose I think to see this regime history.

So just keeping them informed and letting them know the rest of the world hasn't forgotten them and we are serious about doing something about the regime is very worthwhile, and I think it is an idea that has widespread support in South Korea finally. I was always amazed in many visits to South Korea to see how indifferent the students and professors were to these grotesque human rights violations taking place in the North. I think that's changing now. I think people have seen because of the shelling of Yeongpyong Island which you know one would have - sad that it takes that to happen but I think there is a change in the understanding of the threat posed by North Korea to the South, and we should all be trying to take advantage of that.

Okay well thank you again very much for coming.

(Applause)

SUZANNE SCHOLTE: Thank you all for joining us, and I just want to announce we do have Dr. Walid Faris, put this on your calendar for March 25th, with the Foundation for Defense of Democracy and talking about the war on Islamofascism. And be sure you're on our email list. If you did RSVP by email you will automatically get the notification about our next forum but just be sure that you're on it, so you can get next - thank you again for being here.

(Applause)

(END)