

**2013 Carnegie International  
Nuclear Policy Conference:  
Morning Plenary Session:  
Prague 2.0? Deterrence, Disarmament, and  
Nonproliferation in Obama's Second Term**

Monday, April 8, 2013  
Washington, D.C.

**Moderator:**

**George Perkovich,**  
Carnegie Endowment for International Peace

**Speakers:**

**Alexei Arbatov,**  
Carnegie Moscow Center

**Rose Gottemoeller,**  
U.S. Department of State

**Yao Yunzhu,**  
Academy of Military Science, China

Transcript by Federal News Service  
Washington, D.C.

*Transcript Not Checked Against Delivery*

GEORGE PERKOVICH: Hello out there. We're going to – we're going to begin. The great news, for which we're grateful, is that there's such a large group here for the entire conference. That also means that people will tend to wander in, and at the same time we want to try to stay on schedule so that we can present all of the content that we have.

[00:00:27]

It's my pleasure to moderate this session, where we have three truly outstanding expert colleagues and officials.

We call it the Prague agenda, but in many ways you could also call it the NPT agenda or the future of the nuclear order. The themes that President Obama laid out in the speech almost exactly four years ago were also themes and objectives in the NPT Review Conference action plan. They're the things that anybody who's concerned about nuclear stability, nuclear order, nuclear energy development – they're objectives you would have to wrestle with.

So whatever the label is, we wanted to start off the conference, after the great session with the director general of the IAEA, by focusing on perspectives from the three states that arguably will determine, in a sense, the pace of the implementation of many items on the agenda here in the nuclear order.

Russia, China and the United States, for obvious reasons and perhaps not so obvious reasons, really will create the necessary conditions for further progress, if not the sufficient conditions, on nuclear disarmament; on nonproliferation, including in their role in the U.N. Security Council but also their role in the Nuclear Suppliers Group; the nuclear fuel cycle, in many ways; and nuclear industry, where Russia and China are perhaps the countries with the two most ambitious plans for further development of nuclear energy.

So these three countries are absolutely indispensable, and their cooperation is going to be necessary for progress. And so that's why we want to have such insightful speakers as Rose Gottemoeller, Alexei Arbatov and General Yao Yunzhu here to address you.

[00:02:52]

Now I should say from the very beginning that two of our colleagues are acting officials from their government, Rose and General Yao. That means that among other people, they report to their presidents, which also means if I get tempted to ask a question that actually their president would be the only one who could answer, you should stop me. And if others want to ask questions like that, I will try to avoid a waste of time and stop you, in the sense that we want to have a discussion about key dynamics, analytic issues, but there are certain questions about, you know, will the U.S. bomb North Korea that Rose is probably not going to answer –

ROSE GOTTEMOELLER: That is correct. (Laughter.)

MR. PERKOVICH: – or else she won't – or else she won't be here by the end of the session. And so we want to keep all of our panelists here the entire session. And so we, you know, have that understanding.

## *Transcript Not Checked Against Delivery*

Lastly, by way of preliminary comment, I personally especially really appreciate that we get to do this conference in English, because I would suffer enormously if we didn't. But as Toby mentioned earlier, we have people from 46 different countries here, which is fantastic.

It also means that especially for panelists and speakers for whom English isn't their native language, nuance can sometimes be difficult and tricky. So I'm going to try to speak slowly, and then when we open the discussion, I will ask you also to speak slowly, because it is arduous to be trying to have a nuanced discussion on complicated topics in your nonnative language.

[00:04:47]

Now with those introductory remarks, let me start by asking just quickly each of our panelists to give a sense of whether, since 2009, you feel like there's been progress kind of in total on the – meeting the objectives in the nuclear agenda – whether the ones laid out by President Obama or the NPT action plan in 2010. Are we making progress? Are we going backward? Or are things about the same as they were four years ago?

And let me start with Rose.

ROSE GOTTEMOELLER: Thank you, George. And thank you very much for this opportunity to be here with my two colleagues – with Alexei Arbatov from Carnegie Moscow Center and – (inaudible) – and also with General Yao, who I've had the pleasure of visiting at her academy in Beijing and talking with some over very impressive graduate students and postgraduate students. So it's real honor and a pleasure to be here on this stage today.

Well, George, you are talking to the negotiator of the New START treaty, so honestly I do feel that we've made enormous progress over the past four years. I will say that it's quiet progress. Now New START has been in implementation for two-plus years. And we've had a great, I would say, success story – but a quiet success story – in the way the verification regime has taken shape and has come together. That is not only the inspections – what Senator Lugar always used to call the boots on the ground that are so important – but the fact that we have created a real-time, day-in, day-out mode of communication between and among our strategic forces.

[00:06:31]

We have exchanged, at this point, over 4,000 notifications. Every time we move one of our bombers for greater than a 24-hour period, we have to – we have to notify. Anytime the Russians take an ICBM out of a silo and send it to a maintenance facility, they have to notify. So as a result, we have not only the database that gets exchanged every six months, but we have a living picture – a day-in, day-out real-time picture of what is going on in our strategic forces. And that, at the heart of it, is what arms control is all about – to have that mutual predictability, that mutual confidence that leads to an enhanced stability relationship.

So I do feel we've made enormous progress on New START alone in the last four years, but in addition to that I would say that we need to take a good look at the action plan for the NPT review conference. And I can say there too we have made significant progress. Have we done everything we wanted to do? No. But next week I am heading off to Geneva to take part in the fourth conference of the P-5, getting together not only China, Russia and the United States, but also

*Transcript Not Checked Against Delivery*

France and the U.K. to talk about where we go from here, what the overall stability environment looks like and what steps we need to take to eventually get into some multilateral arms control negotiations.

[00:08:03]

So I do think that what I see in terms of the richness of the discussion and the richness of the relationship among the P-5, that itself has been greatly enhanced over the last four years. I know we'll have other opportunities to talk about accomplishments, so I think I'll just leave it there for the moment.

MR. PERKOVICH: Great, Rose. Alexei, are we going forward, we going backwards, or we in neutral?

ALEXEI ARBATOV: Well, first of all, thank you for inviting me. It's a great pleasure and honor to be here again.

I agree with what Rose said about the accomplishments of the last years. However, the prospects are quite foggy, and this is a serious problem, in particular as far as nuclear disarmament is concerned. Bad news is that relations between Russia and the United States is at its lower point since the end of Cold War. Good news is that those difficulties are not blurred by friendship between our presidents. (Laughter.) So we are able to address the issues in a business-like manner.

MS. GOTTEMOELLER: Correct. (Laughter.)

MR. ARBATOV: The main problem is that the old paradigm of arms control is ended. Since the great speech of Robert McNamara in 1967 in San Francisco, we operated on the common basis of strategic stability, which was formalized in a joint declaration of 1990, and which put forward some important principles.

What was this paradigm? Stringent limitation on territorial ballistic missile defense; emphasizing survivable strategic systems; reducing the ratio of warheads to launchers, putting aside the question of certain nuclear weapon states, disregarded – disregarding conventional systems which may affect the balance – conventional offensive systems.

[00:10:32]

Well, the (politics ?) exchange international relations are very different, technology is changing, and apparently during the last 20 years, Russia and the United States have moved very far away from each other in their understanding of strategic stability without discussing the issue head on. For example, United States no longer considers territorial defense, ballistic missile defense as destabilizing. Russia does not consider new liquid-fuel heavy (style ?)-based missile as destabilizing. United States does not consider – (inaudible) – precision-guided conventional systems as destabilizing. Russia does not consider airspace defense, which it is developing, as destabilizing. But we are not discussing these issues.

After the successful conclusion or ratification of New START treaty, we have been talking past each other on the issues of nuclear deterrence, strategic stability and the future of arms control,

*Transcript Not Checked Against Delivery*

and I think this is a very serious problem. The treaty that Rose Gottemoeller and her Russian counterparts concluded in 2010 was probably the last treaty concluded on the basis of the old paradigm.

In the future, the problem of moving forward with strategic nuclear arms reductions is not confined to the issues within the balance of offensive nuclear forces. I would say that this is the least of our problems. If we were discussing that vacuum, it would be very easy to go for a new treaty getting the ceilings down to 1,000 warheads or below. However, the main problems are lying in adjacent areas, and those will be a serious issue, very difficult issue to resolve.

Ballistic missile defense, conventional precision-guided systems, tactical nuclear weapons, certain nuclear-weapon states, how – whether we should count them, we should – whether we should take them into account, all those issues will be the agenda of the future. And I think that to start really talking about it, we have to start – and I'm using the opportunity of Rose as a very well-known expert being here – to start talking with Russian counterparts about the new understanding of strategic stability. We have to develop a new understanding of strategic stability so that it is adapted to new realities but is not blurred and diluted so much that it does not serve as a basis of concrete negotiations in the future.

[00:13:30]

MR. PERKOVICH: Thanks, Alexei.

Let me ask General Yao just to pick up on Alexei's point in the sense that U.S. has, you know, proposed and urged with China that it would like to discuss and explore strategic stability but I don't think there's a mutual understanding of the – what is meant by the concept – or what is intended yet in strategic stability. And that's in essence what Alexei was saying, is that the definition and objectives have changed. The elements of the problem have changed.

So, when you think about the nuclear agenda going forward, is understanding the challenges of strategic stability the key next step that's required? Or is there something else that can be done even if there's not a kind of cooperation and understanding of strategic stability?

GEN. YAO: Thank you, George. First I have to say I feel a little bit humbled –

(Off-side conversation.)

MR. PERKOVICH: OK, try again.

GEN. YAO: Can you hear me? No? I don't know what happened.

MR. PERKOVICH: Keep talking and I'll give you mine if it doesn't work.

(Off-side conversation.)

[00:15:08]

*Transcript Not Checked Against Delivery*

GEN. YAO: First I have to say I feel a little bit humbled and totally out of place sitting here together with colleagues from the United States and Russia because United States and Russia are the two, by far, biggest nuclear power(s) in the world. And actually, I don't know why I'm here. (Laughter.) China is a very – China has a very small nuclear arsenal. And China has adopted a no first use policy for many, many years. But to be frank, I think China do – does have something to contribute to advance the cause – and I think it's a noble cause – proposed by President Obama, during his – in his Nobel Peace Prize-winning speech in Prague.

For the last four years I – I think that's – there are substantial progress made in reducing the role of nuclear weapons in national security strategies of United States: for example, the release of the NPR in 2010, the nuclear summit, nuclear security summit, the NPT – (inaudible) – the signing of New START and the ongoing P-5 mechanism to talk, consult about nuclear issues.

[00:17:11]

But looking to the future, I do think that United States and Russia both have to do at least one or two rounds of negotiations to further reduce their nuclear arsenal before the other smaller nuclear weapons states should join in a multilateral disarmament process. And I agree with Alexei that BMD and some other things should be included in the further disarmament talks. And also, I think one way that – the further reduction should also include both strategic and nonstrategic nuclear weapons and both deployed and undeployed, stored nuclear weapons.

So far, it's – the question posed by George, strategic stability between Russia and United States, there's – I think the strategic stability between these two nuclear superpowers are still very much Cold War-fashioned, but strategic stability between China and United States and between China and Russia are quite different. China tried to have strategic stability with the United States on a highly asymmetric basis. And China has for a long time reduced – kept very, very minimal, small role for nuclear weapons in its national security strategy. So I think it's totally difficult – it's totally different.

[00:19:37]

But the current development, especially in the deployment of missile defense system in East Asia, would be – in Chinese eyes would be a very, very disturbing factor, having bearing on – having implications for the calculation of China's nuclear and strategic arsenal.

[00:20:11]

MR. PERKOVICH: Thank you, General. You actually – you raised a question that I was going to – going to come back to. So let me just ask you again and we'll work our way – we'll work our way back. You talked about the need for one or two further rounds of U.S.-Russian reductions, and yet when one talks to people in Washington or Moscow, they say, well, we can't come down much further without knowing where China is going. And there's an argument that if the U.S. and Russia go much further, then China will use that as an opportunity to build up much more. Some people even say that China already has many more nuclear weapons than is commonly discussed. So I guess one of the questions is, what are the – is it necessary then for there to be some greater understanding soon about China's intentions or the limitations of China's arsenal, if the U.S. and Russia were to come down further? Do you understand the question? Yeah.

*Transcript Not Checked Against Delivery*

GEN. YAO: Can you hear me? (Laughter.)

MR. PERKOVICH: Yeah, that worked. (Laughter.)

GEN. YAO: Thank you. Thank you.

I think there are – well, when Chinese President Hu Jintao spoke in 2009 at the U.S. security meeting, he made the promise that while the conditions are appropriate, all the other nuclear weapon countries should join in a multilateral disarmament process.

[00:22:29]

So what are the conditions? Just now I talked about one or two – at least one or two (rounds ?) because right now, the two greatest and largest nuclear powers still have more than 90 percent of nuclear weapons in the world. And I think it should be further go down to much, much lower level. At the same time, all the other smaller nuclear weapons states should promise – I think China can promise that China – China has promised that China will not go until arms race with any other nuclear weapons states. And China can, by that – by that I think China at least mean China will not seek parity with the two superpowers, even when becomes strong, even when they are downsizing. And China will not seek nuclear superiority.

And there are also some discussions among the P-5 agreement of a standard reporting form to the NPT in 2015 to report the arsenal on the number of warheads, the current arsenal, the nuclear materials and also the weapons that has been dismantled. So you implied, actually, that China has maybe a much larger arsenal than some experts that – than the ministry experts thinks, that China might have created some 3,000 missiles or warheads somewhere in the mountains, in underground tunnels. So whenever I read that, I cannot help feeling amused. (Laughter.) I'm amused by the imagination and also – and also by the approach that such fantasy-like assumption has been taken so seriously.

I know that the – that the most recent National Defense Authorization Act, which was signed into law in early January, requested the commander of the Strategic Command to submit a report by 15<sup>th</sup> of August to evaluate such assumption and also to evaluate the nuclear and conventional capabilities of the United States to try to find the gap as whether the U.S. conventional and nuclear capability can deal with this under tunnel network.

[00:26:08]

So I think you can wait for some experts' assessments by 15<sup>th</sup> of August. But one thing does worry me, that in that act, both conventional and nuclear means are mentioned. So my concern is that – is that a current policy, or is that going to be a future policy that United States is going to use conventional battles to wipe out Chinese nuclear arsenal in the first strike? That is the issue that worries me very much.

MR. PERKOVICH: Well, the good news is if you have 3,000 weapons we didn't know about, we couldn't do it. So then it would all work out. (Laughter.)

Alexei, I know you've thought about – I mean, I think we have – we've set the table for a good interaction, so if you guys want to comment or come in on any of these points, you know, let's

*Transcript Not Checked Against Delivery*

do it and – because I think there are a number of issues here about kind of – that affect next steps or the willingness of each to take next steps.

[00:27:27]

MR. ARBATOV: Well, with all due respect, of course, we will be waiting for American assessment of Chinese nuclear forces. (Laughter.) But it would be much more helpful if China gave us the authoritative official figure because without that, all the talk about China having minimal capability, not participating in arms race, not striving for parity – this is just – this is just talking. It – what is minimal capability? It may be 200, maybe 400, maybe 1,000 – still much smaller force than Russia and the United States. But the ranges are quite big.

And the range of assessments of Chinese forces, total nuclear force – from 300 to 900, deployed forces that we know of – and those big underground tunnels – you dismissed them as a play of imagination – well, then China should tell us what is in those tunnels, why 2<sup>nd</sup> Artillery is building so huge tunnels.

So I think that China should play a much more active part in arms control. If its forces are really small, it will have very strong ground. If the forces are large, it will have very strong ground to affect the future of arms control.

With respect to Russia and the United States, I think that we could make another step forward, but I doubt we could move much further beyond that because when we are having an agreement, it's usually an agreement for 10 years or so. And 10 years is a long time. China, with its enormous production capacity, industrial capacity, during those 10 years could built up its forces to several times, especially MIRVing its single-warhead missiles that provides, like the United States did in the '70s and Soviet Union did in the '80s, multifold increase, very quick increase in nuclear capability.

So China is the only country of the third nuclear weapon states which could build up quickly to the level of Russia and the United States, quickly in the course of 10, 15 years, and which could affect the global balance. Israel, Pakistan, India, North Korea cannot do that. For different reasons, they cannot do that. China is the only serious factor to take into account. And I am talking about that not trying to create impression of Chinese threat. It's – I want to create impression of importance of China, not only in world economy and finances, not only in politics, not only in peacekeeping operations but in arms control. And China should become, I think, much more active. Actually, it could move the things forward which are presently being stalled because of Russian-American controversies.

[00:30:49]

MR. PERKOVICH: I know General Yao wants to respond, but let me let Rose comment and then – and we'll come to General Yao. But –

MS. GOTTEMOELLER: Yes, it's interesting to be at the end of this round. And I know you want to have conversation back and forth, so I'm going to turn to my esteemed colleague Alexei and say, please talk to your friends and colleagues in Moscow and tell them we want to get back to

*Transcript Not Checked Against Delivery*

the table. We are looking forward to it and particularly, to begin with, for strategic stability discussions.

We do have an enormous agenda. I agree with you on that. I cannot discount that agenda at all. But resistance to coming back and sitting down again, I can assure you, is not coming from the U.S. side.

[00:31:33]

Now, as to the issues that you raised, I think it's very, very important to say that these are, you know, two-party issues in this particular context, in a bilateral context. General Yao already talked about conventional strategic threats to targets. So yes, this is, I recognize, a bigger problem, but when you're just talking about a bilateral interaction between Russia and the United States, we are very interested to understand also what Russia is thinking today about the development of very capable, long-range, accurate conventional systems, because we see them emerging on the Russian side as well. So absolutely, there's an enormous value in engaging in an intense and serious discussion on the broad agenda of strategic stability topics, and we need to get back to those discussions sooner rather than later.

Some of the – just to say a short comment on General Yao's presentation, some of the things that are again, under the radar scope in what we're talking about in the P-5 context are quite important in this regard. And I think over time, we'll develop the kind of relationships and the fabric, the agenda of a fabric for very solid discussions among the five. In the first instance, she mentioned the reporting format. We've been working on that very, very hard among the P-5, and we hope that it will lead to more mutual transparency, but also more transparency for the entire NPT community and for the world as a whole. And we will continue to push that rock uphill because I think, again, it's not sexy, it's not exciting, but it is exactly the type of agenda item we need to be working on.

Another one – and here I want to give full marks to Beijing and the work that they have been doing. They've taken on responsibility, in the P-5 context, for a working group on nuclear terminology. And you think, oh, boy, how boring; we're going to have another glossary. But when you sit down at a table together and you talk about how to define nuclear terms, you end up getting to develop more mutual understanding. A discussion about how to define issues of nuclear deterrence will have enormous value in terms of providing, I think, a mutual understanding among the five and, again, creating that fabric, that environment for multilateral negotiations at some point in the future.

[00:34:07]

So these are all very, very important aspects, but they're not glamorous. They're not sexy. They don't stand out, you know, for big public – big public displays. But nevertheless, I will say that there is a very considerable serious-mindedness about how to proceed in this regard.

One final thing I'd like to say – Alexei mentioned Bob MacNamara's speech from 1967. I'd like to say, this is the 50<sup>th</sup> anniversary this year of President Kennedy's speech at American University. It launched not only the negotiation of a limited test ban treaty that was accomplished in record time, but it also led several years later to the negotiation of the Non-Proliferation Treaty.

*Transcript Not Checked Against Delivery*

And who does not remember John Kennedy's words at that time, that if it weren't for a successful NPT process – if we were not able to achieve that by this time, we would have many dozens of nuclear states around the world? So I think it behooves all of us during this conference to remember the successes of the NPT as well as the serious problems that we must confront in continuing to implement it.

MR. PERKOVICH: All right. Thanks, Rose. General Yao, you wanted to comment on Alexei and –

GEN. YAO: Yeah. I do agree that China should take a more active role in the disarmament process. But I want to respond to Alexei's suggestion that China should be more transparent on its nuclear capabilities.

First, I have to say that China has been very, very transparent on its nuclear policy and on its nuclear intentions. China has a very small arsenal. China has always been having a very small arsenal. And it seems paradoxical – it seems conflicting to have a small arsenal and also to adopt a no-first-use policy, because if you have a small arsenal, you should have taken proactive doctrine to preserve – to reserve the right to strike first. And if you have a no-first-use policy, you should have a large arsenal. So China's arsenal has to satisfy three requests – demands. The first, it must be small. The second, it must be second-strike. And the third, it must deter. How to do all of these three things with a small arsenal?

[00:37:00]

First, China has to have a very survivable nuclear arsenal. Maybe that's had some reason – had some relation with the tunnels. We have tunnels, and United States have tunnels. Russians have tunnels. Tunnels are to increase survivability of the very small arsenal. And the second thing is that China's nuclear arsenal has to have penetration capabilities, because after a second – a first disarming strike, the small arsenal will not have much to strike back. And the third, China's arsenal has to be – has to deter, and it has to start small, and it has to deter. So China depends more uncertainty – not on certainty, not on transparency to deter, but more on uncertainty to deter.

And a certain amount of opaqueness is an integral part of China's no-first-use policy.

[00:38:30]

MR. PERKOVICH: All right. Thanks, General Yao.

I'm going to invite people to start coming to the microphones, because we're going to move into the question session. We're going to leave plenty of time – plenty of time for that. But let me ask, while we're doing that, a transitional question which has to do with extended deterrence. Because I think in the U.S., a lot of the pressure as it were – a lot of the need for the arsenal and for nuclear policy now is extended deterrence, both in Northeast Asia but also in Europe. And some call for its value to be enhanced in the Middle East.

And my question is more for Alexei and General Yao. I mean, is there a – people here would argue that extended deterrence actually helps make proliferation less likely. So it's important for nonproliferation. And it's stabilizing. Is that – is that going to be – is that view accepted enough

*Transcript Not Checked Against Delivery*

that it's not an impediment in going further with reductions, or will the extended deterrent issue interfere with the overall implementation of the reduction agenda?

MR. ARBATOV: Extended deterrence is not a homogenous notion. You may say that we may use nuclear weapons in case our allies are attacked with nuclear weapons. That's one kind of extended deterrence. Another kind, we may use nuclear weapons if our allies are attacked with conventional weapons.

[00:40:14]

Well, the first type of deterrence is in Russian military doctrine. The second is not in the Russian military doctrine. That is one of the major differences between Russian and American military doctrine. We – our doctrine says that we may use nuclear weapons if Russia is attacked with conventional forces and faces a catastrophic defeat – if the statehood of Russia is put under doubt. But it doesn't say that with regard to Russian allies. There will be – extended deterrence only goes as far as they may be threatened with weapons of mass destruction.

In principle, the experience shows that those countries that were reliably covered by assurances didn't go nuclear. While, of course, Great Britain and France were an exception; they were covered by NATO guarantees, but went nuclear. But otherwise – Japan, South Korea didn't do that. Israel has never had reliable commitments of – in the form of treaty, yeah. In principle, yes, but it's not an absolute guarantee. It's not an issue without exceptions, as history has showed. And now we see rising moods, both in Japan and in South Korea, to come back again and to see whether they should go nuclear, facing what they are facing across the – across the sea.

MR. PERKOVICH: All right. That was a good set up. We have a plenary session tomorrow morning with a leading figure from South Korea who will talk about this.

General Yao, and then we'll turn it to the question. But extended deterrence, in a sense, is that, you know, stabilizing it?

GEN. YAO: I think the United States should be able to denuclearize its extended deterrence because they – I don't think any European allies of the United States still need the nuclear component in the extended deterrence – maybe some Asia allies, South Korea and Japan, they need – they still have a need for a nuclear component of that. I have – I have – I have some different views about it.

[00:42:55]

The threat – in most cases the threat are mentioned as DPRK nuclear threat. But DPRK had nuclear weapons only – a nuclear capability only from 2006, but nuclear umbrella has been provided to this – to Asian nuclear – to Asian allies for many, many years. So as the most powerful conventional military power in the world, I do think United States has enough conventional means to deter any threat – even the threat from DPRK from launching conventional attack against the ROK.

As for the role played by ED, by extended deterrence in nonproliferation – for nonproliferation purpose, it works both ways. It might have stopped Japan and ROK from going

*Transcript Not Checked Against Delivery*

nuclear, but on the other side it did stimulate or motivate the DPRK to go nuclear. When I talked with DPRK colleagues, they frequently mentioned – said to me, that we want denuclearization of the Korean Peninsula, but denuclearization means North – South – if the South are shaded with a nuclear umbrella and we are exposed to a nuclear attack, that's not a peninsula denuclearization. So I think they had a reasoning in it.

[00:45:04]

MS. GOTTEMOELLER: Could I just say one thing before we turn to the floor?

MS. PERKOVICH: Yeah, go ahead, Rose. Yeah, of course.

MS. GOTTEMOELLER: You know, we've had this nuclear posture review process going on and the implementation study is still in the course of being completed, but one of the basic principles of the U.S. Nuclear Posture Review under the Obama administration is to – is to lessen the role of nuclear weapons in U.S. national security strategy, to reduce that role. And so that's been one of the basic guiding principles.

But there's been another principle and that is to continue to have a strong extended deterrence relationship with allies and partners, where we have those responsibilities. And something General Yao reminded me of in the context, the juxtaposition of those two principles in the pursuit of our NPR, and that is that extended deterrence does have many facets to it. It's not only a nuclear extended deterrent; it is also comprised of other military and policy resources. And so I do think that that's an important point and the point that General Yao made reminded me of that. So I just wanted to briefly comment in that regard.

MR. ARBATOV: And may I also – sorry.

GEN. YAO: Sorry. Please.

MR. ARBATOV: No, please, you.

GEN. YAO: Please.

MR. ARBATOV: Well, extended deterrence is important for alliances, but it should not necessarily rely on nuclear weapons located at the territory of allies. American tactical nuclear weapons were withdrawn from Great Britain, were withdrawn from Greece, and I think that their security didn't suffer, at least didn't suffer in the traditional way. Maybe it's suffering because of economic problems, but not because this withdrawal has weakened their security vis-à-vis Russia.

[00:47:02]

So I think that commitment – alliance commitments are much more dependent on joint foreign policy priorities; joint understanding of who are the partners, who are the enemies; joint values; economic interdependence. Those are the strongest foundations for reliance or for reliability of commitments of – and including the extended deterrence.

MR. PERKOVICH: Do you want –

*Transcript Not Checked Against Delivery*

GEN. YAO: Yeah, I – just a very brief – I agree with Alexei. I think extended deterrence should be denuclearized. There's not much need to have a nuclear component in extended deterrence, and I think that US. policy should make it clear, because the NPR didn't make it clear.

[00:47:57]

MR. PERKOVICH: I would just add – and we're going to turn it – the – as we're meeting here, the Non-Proliferation and Disarmament Initiative is meeting in The Hague, I believe, and that initiative, which involves 10 middle powers, basically, has emphasized the importance of reducing the role of nuclear weapons. And yet seven, I believe, of the 10 are allies of the U.S. who rely on extended – now on extended nuclear deterrence, and so the broader point being that I think the onus is just as well on the states that receive the extended nuclear deterrent to also wrestle with these policy issues and what they expect of the U.S. and whether they can do that without a nuclear component or without basing. And so it isn't just a discussion that needs to happen and is happening in Washington; it's a discussion that the allies, I think, need to be involved in and need to be invited to be involved in by others.

But let's turn it over to you all, and we'll start – ladies first. Then we'll come back down to Tom (sp). Please say who you are and kind of where you're from. You know the deal. Thank you.

Q: My name is Eileen Vorndick (ph). I'm with the Office of Secretary of Defense for Middle East Policy and at Harvard University. I have a question, please, for General Yao.

MR. PERKOVICH: Can you speak a little more into the mic or lift the mic up a little bit? Thank you.

Q: OK.

MR. PERKOVICH: Yeah. Thanks.

[00:49:33]

Q: You stated that China does not seek nuclear parity with the U.S. and Russia, and this is obviously met with a lot of skepticism. In what ways is China seeking to become a superpower with regards to its defense, if it's not nuclear parity?

MR. PERKOVICH: OK. She said that you said China doesn't want to seek nuclear parity, but a lot of people are skeptical about that. So in what ways will China seek to be a military superpower if it's not nuclear? Is that fair?

Q: Mmm hmm. (Affirmative.) If it's not –

GEN. YAO: China does not seek to be a military superpower. So – what's his question?

MR. PERKOVICH: Well, and then the question is basically – people don't – I'm not speaking for you now –

*Transcript Not Checked Against Delivery*

GEN. YAO: How can that – how can that – (inaudible) – China –

MR. PERKOVICH: Yeah, look, everybody – in this – in this town, people think, we come down, China’s going to race up, and it’s all – we’re all fools, basically. (Laughter.) Yeah, all right. All right.

GEN. YAO: So China has – creates capability now. China can produce nuclear weapons as it produce shoes and clothes and – (laughter) – so China will –

MR. PERKOVICH: A tie.

[00:50:59]

GEN. YAO: Ties and everything – so we can – China can catch up very fast. But China has been producing shoes and clothes and ties for 20 years, but Chinese military arsenal almost remained consistent. It’s small. It’s consistently small. If China has been producing nuclear weapons like it produced shoes and ties, it must by now and long ago be largest nuclear power in the world.

MR. ARBATOV: Small – how many is “small”? (Laughter.)

GEN. YAO: Sorry? Sorry?

MR. ARBATOV: How many is “small”?

[00:51:39]

GEN. YAO: How many is “small” – at the minimum necessary level to – (laughter) – to retaliate against any nuclear strike against China. And what is the retaliation capability – (because you’d ?) have Asian capability – China wants is to have the potential adversary as certain whether it can wipe out China’s arsenal in the first disarming strike.

MR. ARBATOV: Thank you for clarification. (Laughter.)

MR. PERKOVICH: To be continued.

Tom.

Q: Tom Collina, Arms Control Association. Thank you all for being here. General Yao, you asked why you should be on this panel. I think it’s great you’ve been on the panel because your answers have been very illuminating. So thank you.

And I have a question for both you and Mr. Arbatov. As you both know, the United States made a significant shift in its missile defense policy not too long ago, saying that it was going to cancel the fourth phase of its European missile defense deployment and at the same time or in the next few years add additional interceptors into the West Coast deployment in Alaska.

So I’m wondering how both you personally and your governments, or however you’re comfortable saying it, feel about the missile defense – feel about the missile defense shift in policy

*Transcript Not Checked Against Delivery*

for strategic stability. And I imagine there are differences in how Russia and China would feel about that – but if you could give us a sense of how that announcement has been received in your countries. Thank you.

GEN. YAO: Gentleman first. (Chuckles.)

MR. PERKOVICH: Well, Alexei, why don't you say how it was received in China, and then she can say how it was received in Russia? (Laughter.)

[00:53:45]

MR. ARBATOV: She can certainly say how it was received in China, but I would not take upon myself to tell about China. (Laughter.) I'm not in a position to speak on behalf of – (laughter) – well, in Russia, you know official position. At first it was quite reserved. Then it was a little bit more flexible, and there were some signals that it was accepted in Russia and that now the prospects are a little bit better, although this does not resolve the fundamental issue of legally binding guarantees that American defense is not against Russia and so on and so forth. This is official position.

What is below this official position? What is below the water? Those in Russian strategic community and agencies who are sincerely concerned and scared by American ballistic missile defense phase number four – they certainly gave a sigh of relief. Those who were not really concerned but pretended to be concerned – (laughter) – those, I think, are very much irritated by – (laughter) – this new – this new complication. (Laughter.)

MR. PERKOVICH: Would you – would you care to name people in those two categories? (Laughter.)

General Yao.

MR. ARBATOV: I could do it in a – (inaudible).

[00:55:20]

MR. PERKOVICH: (Laughs.)

GEN. YAO: As for China, China is genuinely concerned about the redeployment of the ground-based interceptors. China is opposed to U.S. deployment of ballistic missile defense systems in general and about such systems in East Asia, particularly. And I think China is concerned about – we have very small arsenal, I would tell you – (laughter).

MR. ARBATOV: (Inaudible) – explain it, yeah.

GEN. YAO: So any BMD system would increase the difficulties for China's second-strike capability. And China has to take into account in design or in planning, in planning the size of its arsenal. That's a very important factor that China has to take into consideration in designing the size of its nuclear arsenal.

*Transcript Not Checked Against Delivery*

MR. PERKOVICH: But let me ask an analytic point, so not a policy point. But analytically, if the threat of missiles from North Korea goes up and there's a recognition that U.S. defense –

GEN. YAO: Already enough, already enough ground-based interceptors to deal with North Korean missiles if they have any.

MR. PERKOVICH: Well, I leave that to the people who work on missile defense, because if you don't think many of them are going to work anyway, then maybe it's not enough. But –

[00:57:19]

MR. ARBATOV: Well, as a matter of fact, if I might add to that, Russian experts – and we recently had a number of very interesting seminars – they agreed to that, that the weapons which are already deployed by the United States, by Japan, by South Korea, of various types, Aegis systems on ships, land-based systems, they're sufficient to intercept North Korean missiles which are there to be intercepted. It's only a matter of political decision. But everything else may be looked to by China with a lot of concern, with a good reason. Whether its forces are small or not so small, it's still something which may undercut Chinese nuclear deterrence.

GEN. YAO: So that's the assessment of Chinese experts.

MR. PERKOVICH: I knew he could answer for China.

GEN. YAO: (Laughs.) And also, I haven't finished yet. (Laughs.)

MR. PERKOVICH: Oh, you haven't finished yet?

GEN. YAO: Yeah.

MR. PERKOVICH: Oh, I'm sorry.

GEN. YAO: I have two more points to make.

MR. PERKOVICH: I'm sorry.

MR. ARBATOV: I'm sorry too.

[00:58:14]

GEN. YAO: Another reason for China to be opposed to the BMD is that the BMD has to – it's jointly deployed with U.S. allies in East Asia, like Japan, ROK and some other partners, like the Philippines. And China has some – some disputes with some of the allies. And this joint deployment means greater integration of command and control systems, and that would have implications for China.

And another reason that China is worried is about space system. China, together with Russia, has proposed a draft treaty to prevent the weaponization of space, and this is Chinese official

*Transcript Not Checked Against Delivery*

language, unrestrained deployment of ballistic missiles is not good, and sometimes means – sometimes would have implications for the security of space.

MR. PERKOVICH: Thank you.

What I want to do, I want to take two questions –

[00:59:47]

MS. GOTTEMOELLER: Sorry, George –

MR. PERKOVICH: Oh, go ahead, Rose.

MS. GOTTEMOELLER: Sorry, I have just a quick (two fingers ?).

MR. PERKOVICH: No, go ahead.

MS. GOTTEMOELLER: As we've been talking about numbers and so forth, I'll just point out today is budget rollout day. And as we're talking about the need for numbers and transparency, well, of course, our official talking point, which I am dutifully checking here, is we will strengthen our homeland missile defense by increasing the number of GBIs – ground-based interceptors – from 30 to 44 for a limited defense against limited threats so far from North Korea and also from our concerned Iran in future – but I would just – for those of you who are interested, I'd take a good look at the budget rollout happening this week because there'll be quite a bit of information in there about our limited ballistic missile defenses.

MR. PERKOVICH: All right. Thanks, Rose. Let's take two and then we'll try to answer those. And hopefully, we'll get to the – to the last two. So please, Howard, go ahead and –

Q: Howard Moreland (sp), private citizen. Theoretically, the Cold War ended before today's college seniors were born. What's the best explanation for the ability of the bloated U.S. and Russian arsenals to outlive their rationale by so many years?

MR. PERKOVICH: OK, hold that idea. And then go ahead.

Q: Thank you. It is probably – I would love to –

MR. PERKOVICH: Can you please introduce –

(Cross talk.)

Q: Yes, my name is Pierre Ghanem from Al-Arabiya. I'm a member of the press.

[01:01:12]

MR. PERKOVICH: OK.

Q: With the challenges that we are talking about and the big picture, here comes a – another challenge – that is, Iran. How big is the challenge of Iran, and how worrying? You look at the program of Iran, especially after what the director-general of the IAEA spoke this morning.

*Transcript Not Checked Against Delivery*

MR. PERKOVICH: OK. And can you –

MS. GOTTEMOELLER: Well, I'll start on Iran and then I'll move to the other question. We are indeed very concerned about Iran. We've been concerned not only about their nuclear program, which although Iran says it is for civil nuclear power purposes, has another appearance to us. And it appears to be moving in the direction of a military nuclear program.

And we're not alone in this obviously. We have a whole team of negotiators of the so-called P-3 plus three process that has just concluded its latest round in Almaty, and doesn't look too good at the moment.

But in addition to that, we are concerned about the very considerable developments going on with the Iranian missile program, so it's that combination that has led us to look for some limited missile defense capabilities in Europe, and particularly the first three phases of the European phased adaptive approach will be designed to counter that limited threat.

[01:02:40]

In terms of the numbers, you know, I like to say that by the time New START is fully implemented, we'll be down to the lowest number of deployed nuclear warheads since the 1950s, and I just – I want to point out once again that we went from 12,000 deployed warheads at the time that START was signed and brought into force – when New START is finally completed, then its implementation will be down to 1,550. And in looking at this full sweep, I think we have to bear in mind that is just the deployed systems. We have also steadily – both we and the Soviet Union, now the Russians – have been eliminating nondeployed systems as well. So the number of warheads are steadily coming down.

I keep saying it is this step-by-step hard slog to rid ourselves of the overhang of the Cold War which is what it is all about. It takes time, it takes money – it takes a lot of money – and it takes an assiduous attention to detail, but step-by step, we are getting there and we will get there.

President Obama at Prague, that was the highlight of his speech to say that we must seek the peace and security of a world without nuclear weapons, and the president meant it.

MR. PERKOVICH: Alexi?

MR. ARBATOV: I agree with that Rose said. Some people – not in this audience, of course, but outside of this room – underestimate the great progress that was made during the last 20 years, and it was not only in strategic weapons but also in tactical nuclear weapons in a parallel, politically obliging unilateral manner. So I would say that the rule of the thumb is that we are now down almost by an order of magnitude in deployed weapons.

[01:04:31]

However, our – the core of strategic relationship between Russia and the United States has not changed much. It is still mutual assured destruction. Maybe the criteria of damage are much lower, maybe the approach to greater-than-expected threat planning is much more relaxed. But still, basically it is the same relationship, and much more needs to be done in order to change the model of relationship from mutual assured destruction to something else. And that needs to be done in order to change the model of relationship from mutual-assured destruction to something else. And

*Transcript Not Checked Against Delivery*

that needs to be done through further reductions, through the alerting (parietal ?) forces, through more transparency and what's most important, cooperation on ballistic missile defense. Cooperation on ballistic missile defense failed; the negotiations during the recent times were not successful, but doesn't mean that we cannot have success in the future.

[01:05:34]

MS. GOTTEMOELLER : Yes, I agree.

MR. ARBATOV: We have to change the (mode ?). In the past, we were discussing Russia joining a U.S.-NATO ballistic missile defense program. In the future, it should be different. It's cooperative projects between Russian air/space defense, which Russia is now developing, it's a huge program of defense of Russian territory, and American NATO ballistic missile defense. Having two defensive programs and systems might be more conducive to finding the way to cooperate on early-warning systems and confidence-building measures and so on. And I hope that the next meeting between Russian and American president will at least give some reason for optimism and moving into this direction.

MS. GOTTEMOELLER: I agree.

MR. PERKOVICH: Great, actually you reminded me – and Toby mentioned this – but on the publications table out there, we – there's a new paper that Alexei and General Dvorkin have written that explores a lot of these issues, and also one that our colleague, Lora Saalman, has written that explores a kind of Chinese perspectives on North Korea and Iran, which will relate to some of this. And they're available out there and free.

Let's try to squeeze in these last three questions. So Bijan and then my Pakistani brothers, we're going to come to you here. And we'll try to then wrap it all up.

Bijan.

Q: Bijan Khajenpour – I'm incidentally from Iran, but since you were talking about Iran, I hope my question is not the sort of question that George was saying not to ask. So as strategists, as private citizens, I want to know, what's the top nuclear threat on your mind that actually justifies a nuclear deterrence? To confuse you, and with all due respect to my Pakistani friends, for me, it's a Talibanized nuclear Pakistan. I want to know if it has any place in your analysis of nuclear threats.

[01:07:35]

MR. PERKOVICH: Thank you, Bijan.

Don't answer that, but ask your question – (laughter) –

(Cross talk)

Q: (Inaudible) – let me – let me – let me introduce myself –

*Transcript Not Checked Against Delivery*

MR. PERKOVICH: He's a colonel with the Pakistani Army, so he's got to answer that – go ahead.

[01:07:46]

Q: Let me introduce myself. I am Zahir Kasmi and he knows me, that I would have responded to it, so I'll abide by your words that it's not a Talibanized Pakistan, it's a Pakistan which exercises a lot of restraint despite what happens on its eastern and western borders.

But let me come to – come to the question. The question is that we have heard about – we have heard about some bilateral reductions between the U.S. and Russia. And we also recall that on April 5, President Obama said that this reduction is not going to happen in his lifetime.

So my question is that if these reductions continue, what would be the stage at which it becomes plurilateral and the other nuclear arms states come into the equation? Given that we have issues, unresolved political issues, we have security issues of the countries, so how would this all gel into the further reductions? So will it happen in part three, four or part 20?

Thanks.

MR. PERKOVICH: OK, thanks.

Zafar.

Q: Thank you. I am Zafar from Quaid-i-Azam University, professor, Islamabad.

I start with this, that weapons are neither Talibanized nor Khameinized (sp) nor Putinized nor Obamanized. So – but my question is (withdraws ?), it sounds very important and impressive when you say that from Cold War we have cut down up to now, a lot of things have happened in the START 1, START 2. But at same time, it contradicts the modernization programs which are taking place, especially with reference to new concept of space warfare and within this BMD and this new investment within the United States on a new generation of weapons. If we can (go with ?) strategically, all weapons have to go into the, you can say dumped, they should be dismantled. Threat has changed and it demands the deployment differently. But what is the point when you look at – about the investment in your own labs for new modernization, new generation of the nuclear weapons?

[01:09:54]

MR. PERKOVICH: Ok, so the big threat – (audio break) – modernizing and then Kasmi, you guys addressed it, but it's kind of – what are – what's going to be necessary to multilateralize and get everybody into the process, and how long will that take?

MS. GOTTEMOELLER: Maybe I'll start really quickly.

MR. PERKOVICH: Go – go for it.

*Transcript Not Checked Against Delivery*

MS. GOTTEMOELLER: We're not modernizing. We're not modernizing. That is one of the basic, basic, I would say, principles and rules that have really been part of our nuclear posture view and part of the policy. Yes, we have a robust stockpile stewardship program, because the president said, as long as nuclear weapons exist, we must have a safe, secure and effective arsenal.

So what we're going about now is, first, rightsizing our weapons complex so that it can support a smaller and increasingly smaller arsenal, but it can continue to support a safe, secure and effective arsenal.

Now, on the question of, you know, the kind of big threat – I've kind of forgotten –

MR. : (Off-mic.)

MR. : Great nuclear threat – what is the greatest nuclear threat?

[01:11:08]

MS. GOTTEMOELLER: Oh, the greatest nuclear threat. Again, I would say it was one of the principles underlying the nuclear posture view. And in some sense, I suppose, it supports the notion that we must be very concerned about what is happening with nuclear weapons in the hands of terrorists. And that is the greatest threat as far as, you know, we have said what President Obama says: The greatest threat is nuclear weapons in the hands of terrorists, which is why – it's what motivates, what really drives his Prague initiative.

That is, get the numbers of nuclear weapons down, and eventually eliminate them, and then you eliminate, along with other work you have to do – we haven't even talked about fissile security, fissile material security and all the work that's been done with the nuclear security summits, but that's the other important piece of this on the nonproliferation side. You have to wrestle with all the aspects of nuclear capability in order to get the numbers down and eventually eliminate nuclear capabilities. That's how, decisively, you deal with a terrorist threat over a great number of years. But –

MR. PERKOVICH: Alexei, you can pick anything you want.

MR. ARBATOV: The United States are not modernizing its nuclear forces; that's true, because the nuclear strategic forces have a life cycle of their own. And American forces will enter the modernization phase after the year 2020. Then, already, there are plans to modernize land-based, sea-based and air-based leg of triad.

[01:12:45]

MS. GOTTEMOELLER: Not the warheads, though –

MR. PERKOVICH: Delivery systems – delivery systems.

MR. ARBATOV: No, not the warheads. Delivery systems, yeah, sure. Russia is modernizing now, because we are out of phase with the United States in our cycle of the lifetime of weapons. We are not modernizing at present. What is the reason for modernization? The

*Transcript Not Checked Against Delivery*

technological progress goes forward. Weapons are withdrawn from service. According to the treaties, you have – you are to keep a certain number of weapons at lower ceilings, hopefully, but for quite a long future. And within those ceilings, the weapons ought to be modernized; there is no other way. I think that's a natural process.

Negotiations take care of ceilings, overall numbers, limitations, some specific limitations, transparency, but they do not change the mode of operation of nuclear forces, which exists objectively. With respect to nuclear threat, I agree with Rose that the greatest nuclear threat is nuclear weapons – weapon or two in the hands of terrorists. After that, I would say that the greatest threat is a possibility – probability of nuclear clash in South Asia between India and Pakistan. That's – those are the greatest real threats that we may be facing.

[01:14:10]

With multilateral nuclear disarmament, I do not believe that it will work by the model of join the club or get on the bandwagon. It's not going to work like that, because each nuclear weapon state has its own reasons for having nuclear weapons, and it will negotiate their limitation only if it receives something in response.

For instance, Pakistan has nothing to negotiate about with the United States. Whatever United States do, Pakistan is not affected by that; Pakistan's interests like elsewhere. Same way Great Britain and France have nothing to negotiate with the United States. They are allies. So I think that the expansion of the – of the number of states participating in nuclear arms limitation is rather going – will go through a number of additional forums, like India negotiating with Pakistan, like North Korea and Israel negotiating their nuclear weapons within the context of regional security arrangements, with China negotiating primarily with the United States. Our talk today have given a good reason to expect that. United States negotiates some limits on ballistic missile defense deployments, and China negotiates some transparency and certain limiting obligations to its offensive nuclear forces because as general said, if the United States continue with ballistic missile defense, China will build up, so in order to prevent that, limit American BMD and limit Chinese weapons.

[01:15:49]

MS. GOTTEMOELLER: We're not going to limit BMD.

MR. PERKOVICH: No? (Laughter.) Well, actually, that's a good – I mean, General Yao gets a comment –

MR. ARBATOV (?): (Inaudible) – (building up ?).

MR. PERKOVICH: – but Rose killed the buzz – (laughter) – but I think very accurately, like, we're not going to limit BMD, therefore – (inaudible) –

MR. ARBATOV: I understand. I understand.

MR. PERKOVICH: – which is a wonderfully partisan position – (laughter) – that – anyway, general Yao, please. And then – and then we're going to have lunch.

*Transcript Not Checked Against Delivery*

GEN. YAO: China is modernizing its nuclear arsenal for three purposes. One is to make it more survivable. Second is more – to make it more – to have more penetrating capabilities, to enhance penetration. And the third is to more – to make it more safe. Safety, survivability, penetration.

And the biggest nuclear threat for China, I think China is still under – maybe – well, very, very remote – potential, possibility of nuclear conflict or nuclear attack, so so far as nuclear threat is concerned, that is a still the top threat in China's mind.

[01:17:17]

MR. PERKOVICH: Right.

Well, thank you. Thank all three of you. Thank you. I think we've itemized a lot of the work that analysts and especially diplomats and policymakers are going to have to do, and that was our objective. So please join me in thanking these three. (Applause.) And if I'm not mistaken, we're going to lunch, and there'll be signs guiding you. It's a fairly good walk. And then NRC Chairman Macfarlane will speak with us at lunch. Thank you very much.

GEN. YAO (?): Thank you.

(END)