

DEMOCRACY, NATIONALISM and SECURITY in the ASIA PACIFIC

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WELCOMING REMARKS

DR. LO Chih-cheng: Ambassadors, representatives, distinguished guests and ladies and gentlemen, I am Chih-Cheng Lo, Executive Director of the Institute for National Policy Research (INPR). As we know, we had an earthquake this morning. It was a minor one, but we did it on purpose just to wake everybody up. For the audience today, I think it was a very timely wake-up call.

On behalf of the local host, the Institute for National Policy Research, our co-host, the Brookings Institution, and also our co-sponsor, the Taiwan Foundation for Democracy, I would like to welcome all of you here today to join our discussion on democracy, nationalism and security in the Asia Pacific.

Before I go any further, I would like to offer sincere thanks to Richard Bush and his able staff at the Center for Northeast Asian Policy Studies (CNAPS) and to Brookings for their unbounded patience and support in bringing this event to Taiwan. Of course, I also want to thank all the local and overseas participants for their rich contributions. I must say I am delighted that we are able to gather together here today and I am certainly looking forward to your insightful observations and comments.

With regard to the theme of the issue of democracy, over the years the INPR has devoted much time and energy into creating publications and organizing conferences and seminars that exchange Taiwan's experiences in democracy with other countries. In many cases, we have cooperated with the National Endowment for Democracy in the States over the years.

Further to this, more recently the INPR and the Taiwan Foundation for Democracy made a pledge to work together to continue efforts in this regard and I am sure that our new-founded cooperation will be most helpful as well as fruitful.

Also I should mention that I am truly fortunate and honored to have been able to cooperate with the Brookings Institution in its Visiting Fellows Program over the years; in

fact, it is obvious that the CNAPS Visiting Fellows Program has proven to be very helpful not only in terms of scholastic exchanges for the scholars themselves, but also in terms of generating greater cross-cultural, cross-border understanding and openness to diverse views in general, for both visiting academia, as well as among policy-makers.

As I am sure you are all aware, the Brookings Institution needs very little introduction, for it is clearly a well-established think tank with world-wide reach. In fact, Brookings research products not only influence U.S. policy thoughts, but there is also a very real benefit out of a generating a lively and a vocal debate within the broader academic and policy communities.

Turning now to say a few words on the theme of our conference, I think it is very fair to say that democracy seems to be developing in the region. Ever since the end of the Cold War, we have seen a gradual but sustained growth of democracy and, as a result, today, there are many new democracies in the Asia Pacific region. The question is: what are the implications of emerging democracies for security in the region?

Well, in brief, there are at least two arguments. There is the so-called democratic peace argument, which is the view that democracies will not wage war against each other; and yet paradoxically, on the other hand, an opposing view points out that new democracies tend to be unstable and sometimes expansionist during the early phases of democratization.

Nationalism, another important subject and theme of this conference, is an issue of much interest in Taiwan, in China, and also in Japan and Korea. Most saliently, having observed the successful completion of the so-called Shenzhou No.5 and with the approaching 2008 Olympic Games, there are a number of countries that are very concerned about rising nationalism in China.

On the other hand, on the other side of the Taiwan Strait, democratization in Taiwan seems to have strengthened its unique national identity, one which is quite apart from what is traditionally called Chinese identity.

Moreover, there is a certain perception, or one could even say a degree of misperception, with regard to Japan's attempt to become a normalized country. There are those who perceive this to be akin to rising nationalism or even militarism. Obviously, all of these developments will continue to have an important impact on the relationship among Asian countries, and democracy and nationalism are two issues that have important implications for regional security. I think it is therefore quite timely and proper that we are here today to address these important questions.

So now, without much further ado, it is my pleasure and honor to introduce you to our co-host for today's conference, [Brookings] President Strobe Talbott, to make a few remarks. Thank you.

MR. Strobe TALBOTT: Thank you very much, Chih-cheng. Let me just add a few words by way of echoing and perhaps amplifying what Chih-cheng said. First of all, thank you for the wake-up call. I do not think any more will be required for the next day or so. But staying with your metaphor, I have no doubt whatsoever that on an intellectual Richter scale, today's conference will hit at least 7.0.



Let me just add a word or two about why my colleagues from the Brookings Institution, and particularly the Center for Northeast Asian Policy Studies, are so glad to be here. In part, it is because of the history and mission of the Brookings Institution, which goes back nearly 90 years. Brookings has always been dedicated to constructive deliberation and debate and also objective, scholarly, wide-ranging, fact-based analysis of major public policy issues.

There is no doubt that this conference is very much in that spirit. This conference is also in the spirit of something else that we believe in very much at Brookings, and that is to try to make our institution more international and indeed more global.

In recent years, we have increasingly dedicated ourselves to working in collaboration with colleagues and counterpart organizations around the world, and we are very fortunate in having a partner here in Taipei in the Institute for National Policy Research, which is, as you all know, one of the first independent think tanks to emerge in Taiwan after the political liberalization of the late 1980s and early 1990s.

Our organizations have been collaborating ever since, and Chih-cheng and I have been conspiring off on the margins of this conference over the last couple of days to think of ways that we can broaden our collaboration in the future.

Just a word about my traveling companions who have come here from Washington. Chih-cheng very graciously acknowledged the terrific staff of the Center for Northeast Asian Policy Studies that has done so much to help working with his colleagues to prepare this conference, and I would like to thank particularly Sharon Yanagi and Kevin Scott and Justin Wu, who have worked literally for months to prepare for today's event.

I would also like to acknowledge somebody who is very well-known to everyone in Taiwan and that is the director of CNAPS, the Center for Northeast Asian Policy Studies, Richard Bush, who has, it seems, practically and deservedly celebrity status here. His picture is all over the front page of the newspapers.

Speaking of celebrities, there is James Steinberg. Like some of your slightly jet-lagged American visitors, I tend to turn on the television during the night and I stopped doing it because every time I turned on the TV, there was Jim Steinberg being interviewed. All of this is a teaser, apparently, for an in-depth interview with TVBS that is going to be shown in full tomorrow I believe.

Finally, I would like to introduce the Chairman of the Board of Trustees of the Brookings Institution, John Thornton, who is a former president of Goldman Sachs and is now a professor—I might add, the first American professor in a Chinese University since 1949—and the director of the Global Leadership Program at Tsinghua University in Beijing. John, of course, will be helping to lead the discussion shortly.

As Chih-cheng has said, this conference is going to focus on the intersection and indeed the interaction of, on the one hand, factors of domestic politics and public opinion; and on the other hand, the imperatives of regional security.

I think that that in itself is worth noting as a topic that would be appropriate in this region of the world. It was not always the case that that would have been a terribly relevant topic, because 20 or 30 years ago, quite frankly, public opinion did not count for very much in many countries in this region. But the last decades have seen a dramatic and largely positive change. What had been authoritarian regimes are in many cases now vibrant democracies, and that development has altered forever the challenge that political leaders have in managing national security.

It is against that backdrop that INPR and Brookings have assembled what I think is an outstanding group of experts to explore the interplay of democracy, nationalism and security in East Asia.

To begin our discussion, we are privileged to have as our keynote speaker Michael Kau. I think that in three respects Dr. Kau epitomizes the mission and the values represented by think tanks like Brookings and INPR. First, he is a true scholar. He is a graduate of the National Taiwan University. He has a doctorate from Cornell. He was on the faculty of Brown University in Providence, Rhode Island, and he is the author of a number of important books on Taiwan and China.

Second, he is a public servant. He served as a senior adviser on Taiwan's National Security Council until he was appointed Deputy Foreign Minister.

Third, he is a leader in the NGO world as the President of the Taiwan Foundation for Democracy which, as Chih-cheng said, is roughly a counterpart to our National Endowment for Democracy in the United States. Of course, the Taiwan Foundation for Democracy is the sponsor of today's session.

That makes Michael, I think, a champion of the underlying and transforming trend in this region that makes our topic today so relevant and, in many ways, so helpful. It is in that last capacity that he kicks off our discussion. So please join me in welcoming Michael to the podium. Thank you very much.

OPENING SPEECH

DR. Michael Ying-mao KAU: Thank you, President Talbott, for your very, very too kind introduction. Today, I am really very pleased to see so many old friends here on the stage. We have Richard Bush, whose relationship with myself can be traced back probably over 30 years. This really epitomizes the kind of close relationship Taiwan and the United States have been developing over the years.



As for the Brookings Institution, I personally benefited greatly from participating in all kinds of conferences and seminars at Brookings. As mentioned by President Talbott, people like Jim Steinberg, Mr. Thornton and so on are really very supportive of Taiwan's international struggle for survival. In this regard, I really feel very grateful for our American friends.

When people like Colin Powell emphasize Taiwan as a success story or Paul Wolfowitz talks about Taiwan as an asset and not a liability, I think that credit should also go to the United States. Taiwan has achieved what we have today in terms of democratization, in terms of economic development. Security, of course, cannot be separated from our American friends. So I would like to take this opportunity really to express our thanks to our American friends.

In addition to the contingent from Brookings, of course Professor Lo, here representing the INPR, is a major force in pushing forward Taiwan's democratization and international participation.

So ladies and gentlemen, let me get back to what I have prepared for today. Last Wednesday, a ceremony in Washington marked the 20th anniversary of the National Endowment for Democracy, the institution as mentioned earlier by Mr. Talbott. Therefore, please allow me to take a minute, on behalf of the Taiwan Foundation for Democracy, to express our admiration for the NED and all the fine work that they have done or they have been doing for the past 20 years.

In particular, as I am standing here before you today, I want to express my appreciation for the encouragement and support the TFD has received from the NED.

We share a common mission: to strengthen the functioning of democracies, deepen the commitment to democratic values, and work to spread democracy to all corners of the world.

Like many other countries of the Asia-Pacific area, Taiwan has been the recipient of crucial support from international friends in its democratization process. Now it is our moral duty to live up to their ideals by in turn promoting democracy, especially here in the Asia-Pacific region.

This will not be an easy task. The sad fact is that anti-democratic forces are still strong in this region. Moreover, there are serious issues of security and nationalism that threaten our democratic progress in this area. This is why the theme of this conference is so important. That is why the TFD is very pleased to co-sponsor this event and to support the wonderful work of the Institute for National Policy Research.

When we think of the relationship between democracy and security, we often think of the concept of democratic peace. Indeed, this phrase is perhaps overused. However, the fact that the concept is almost a cliché does not make it less true. President Bush gave it a new expression in his address to the NED anniversary ceremony last week, saying: “In every region of the world, the advance of freedom leads to peace.”

President Bush’s formulation indicates an important fact: the idea of “democratic peace” means more than the simple truism that democracies rarely go to war against each other. It also means that democracies cooperate with each other more easily and on a more sustainable basis than do democracies and non-democracies, or indeed than non-democracies do with each other. Although today it is fashionable to point out divisions among the Western allies, especially over the issue of Iraq, in the long term I believe it is clear that this principle will remain true.

We see right here in our region how the democratization of Japan enhanced its value as a valuable partner for the United States in the Cold War and how democratization in Taiwan and Korea has given a new lease on life to their relationship with both the United States and Japan, as well as with each other.

I think there are two main reasons why this principle works. First, democratic governments naturally understand the way other democratic governments work. We do not find it odd that the state sometimes speaks with more than one voice, or that the executive and legislative branches may have different perspectives on policy issues. We do not panic when there is an election because we know that rhetoric is part of the democratic process.

Second, and more importantly, we share a common framework of fundamental values. We cherish universal human rights, and our faith in the dignity and the worth of the individual, and the tolerance of different beliefs and opinions as well as the freedom to express them, unite us more than any ideology. We believe in the fundamental wisdom of the people. We trust that in the final analysis, we shall make a wise decision.

Our shared values not only enable our cooperation, they require it. We cannot sit idly while democracy in any part of the world is rolled back. All the democracies must do what they can to sustain the progress we have made thus far and even expand it.

Turning to the relationship between democracy and nationalism, we have to first recognize that nationalism can mean a variety of things. Often, it is a cause of concern, as when it leads to militarism and aggression. In this case, of course, it can certainly be a destabilizing factor as a threat to security.

On the other hand, there is a milder sort of nationalism which I will call “positive nationalism”. It is a natural expression of patriotic feeling and pride for one’s own country or one’s own success. We had a wonderful example here just last week when Taiwan, Japan, Korea and China competed in the Asian Baseball Championship. This was a game to determine which two teams would go to the Olympics in Athens next year.

Of course, we all know how strong the rivalries are between these four countries, for all kinds of historical reasons. However, what I want to point out is how here, in Taiwan, there was a tremendous outpouring of positive nationalistic sentiment. The fate of the national team dominated the news every day, and people joined together to cheer them, not only from all walks of life, but also right across the political spectrum, despite the steadily intensifying Presidential campaign atmosphere. It was indeed a precious moment of national unity for Taiwan.

I am sure a similar thing happened in Korea and Japan. This is basically a wholesome outburst of national pride, where each team fights hard and then shakes hands at the end.

Interestingly enough, the baseball competition brought out a bunch of old slogans, such as “counterattack the mainland”, “resist Japan”, and so forth. But instead of being shouted in anger, they were called out by happy, smiling young people. In other words, their hard, violent edge has worn off to a great extent, and I would like to propose that it is democratization that has done this in Taiwan, as well as in Japan and Korea. When people are allowed free expression of all kinds of ideas, it makes it easier for healthy, “baseball-type” expressions of positive nationalism.

However, all these countries still have problems with their nationalism, because none are fully “normal” countries. Korea is still divided. Japan is still limited, sometimes by itself, in the pursuit of its legitimate interests in the international arena. Of course, here in Taiwan we have been constrained tremendously from seeking our democratic path and development, as well as excluded from most international activities.

As we know from the experience of other countries, when nationalism is not allowed its normal, healthy expression, it can go underground and develop into something more negative, more antagonistic. That is what I will call negative nationalism. It is better now that these three countries are all democracies, that we allow the people to freely express their feelings and then they can channel into baseball games and other means of friendly competition.

Of course, this problem is terribly acute in China and North Korea, where democratic freedoms are lacking. The rulers in Beijing and Pyongyang are riding a dangerous tiger, I would say. On the one hand, trying to exploit negative nationalism to show up their legitimacy; on the other hand, trying to control it and manage it. In this context, negative nationalism could all too easily get out of control, either erupting unexpectedly from under the surface, or being whipped up too strongly.

In conclusion, allow me to stress that in order for our region to enjoy lasting peace and stability, it is necessary that China and North Korea join the path of democratization and respect for human rights. When their nationalism becomes a healthy “baseball-type” feeling, freely expressed and when their people are the master of their own fate, then and only then can we rest in peace. In the meantime, we have many heavy tasks to do.

First, here in Taiwan, as well as in Japan and Korea, we must continue to strengthen our own democracies, including finding healthy roles for each of our nationalisms. We need to do this both for our own sake and to provide ever-better examples for democracy throughout the region.

Second, we need to provide active assistance to those elements, those democrats, especially in China, and if possible in North Korea, and try to help guide their people on their road to democracy and freedom.

Third, we need to maintain and upgrade our security cooperation together with other like-minded countries, especially the United States and Japan. America has long shouldered the leadership of democracy in the Asia-Pacific region. We hope it will continue to do so in the years to come.

Only in this way can we preserve the hard-won space for democracy in the region and be ready to assist its expansion. The Taiwan Foundation for Democracy stands ready to do our part. Of course, both Brookings and INPR have been doing so for many years, and so have all the fine scholars and experts gathered here today.

So without further ado, I will let you begin your discussion and I am sure your discussion will make tremendous contributions to Taiwan’s continued democratization as well as to the expansion of democracies in the Asia-Pacific region. Thank you very much.

DR. LO: Thank you, Vice-Minister Kau, for your very interesting and very illuminating remarks. Vice-Minister Kau’s speech will be available in print outside the conference venue in the front desk. So if you want to pick it up on your way out, that is fine.

As mentioned by Strobe earlier, Jim Steinberg’s interview will be aired tomorrow night at PTS. I have to do my own promotion and my interview with President Talbott will be aired by the PTS on Friday night. So if you want to see it, that is fine.

Finally, we will take a short break. We will reconvene at 10 o’clock for our first panel. Thank you.

**PANEL I: THE SECURITY ENVIRONMENT IN EAST ASIA:
WORSENING OR IMPROVING?**

MR. John THORNTON: I would like to introduce my colleagues on the podium here, with the following observations. It seems to me that this issue we are discussing on the panel this morning is really best set against the background of, the way I see it, the next 50 to 100 years. The ascendancy of China as an economic and political power in the world, and you can choose your own words, the relative descendency or the absolute descendency of the United States.



As of November 2003, we also have the phenomenon of North Korea, with which we are all familiar, and the potential danger that it poses to security, world peace and world security. In a sense, what our panelists are going to do this morning—Jim Steinberg is going to go first and talk, in effect, about American foreign policy; American foreign policy at a time when the United States is the world’s only superpower and, in some ways, it is more complicated than simply American policy.

Then Charles Pritchard is going to speak about North Korea, and until two months ago he was the key person inside the Bush Administration on this issue. We are very fortunate to have him here. Then Frank Ching is going to speak about Chinese foreign policy.

So in a sense, you have got, the way I look at it, the ascending power of the current superpower. If you look through history, when a country has been ascending and another country has been descending, it has generally led to difficulty.

So the way I look at this, in some ways the issue facing us now in Asia, maybe as exemplified by Korea, is going to be with us for a very long period of time, and developing and understanding the habits or behavior between and among these various countries is rather important for world security going forward.

I will finish my remarks by noting this morning, if you have not seen it, there was a very interesting piece in the Wall Street Journal by a scholar from the Heritage Foundation taking Colin Powell to task about a speech Colin Powell gave last week in Texas at a session hosted by the Bush Presidential Library for a high-level Chinese and American Delegation.

I was actually in attendance. I thought at the time the speech was rather unremarkable, but apparently not. What he principally takes Colin Powell to task for is this: in his comments, Colin Powell said the following:

“America welcomes the emergence of a strong, peaceful and prosperous China.”

The author goes on to say that:

“Somewhere the State Department has misplaced the word ‘democratic.’ Instead, it has been replaced by an assumption among the State Department that China has somehow become America’s permanent friend and mentioning democracy might offend it.”

Overnight, I also received an email from a friend who was at the Powell forum. This is a long-standing China hand, an American China hand, who was present at a speech given by the former head of the Party School, and someone who has been giving intellectual content to China’s leaders now for 25 years. My friend, in sending this email, says that clearly “China’s peaceful rise” will be Hu Jintao’s theme song; just as the “three represents” was Jiang Zemin’s; and “to get rich was good” was Deng Xiaoping’s.

So in a sense, that kind of puts the Brookings Institution into a debate inside the United States about China, which in some ways reflects, I think, a healthy debate around the world about China, which I think in the end gets to a lot of the issues we will discuss today.

Now, against that background I am going to start by turning the session over to Jim Steinberg. Enough has been said this morning about Jim being a rock star on Taiwanese television, but Strobe Talbott once said to me that Jim Steinberg had the most encyclopedic knowledge of virtually any foreign policy issue inside the United States, and I have grown to completely appreciate that comment.

Jim was vital to President Clinton during his Administration, finishing his career there as Deputy National Security Adviser, and was involved in virtually every major United States issue. So I cannot think of anybody better to talk us through this morning on American foreign policy. So, Jim.

MR. James STEINBERG: Thank you, John. After words like that, I am afraid to open my mouth. I want to talk a little bit about the evolution of the Bush Administration’s foreign policy and relate it to some issues that we are going to be focusing on in this region.



I think it is important to look at the United States foreign policy as really having been in three phases since President Bush’s election, and I think seeing the evolution of that helps us understand some of the choices and some of the challenges that we are going to be facing going forward.

President Bush campaigned for President and in the very early going, the foreign policy that the campaign advocated was a fairly traditional expression of the way in which Republican candidates have been looking at American foreign policy for some time.

It believed in a very classic definition of what American national interests were, focusing on direct threats to our security, and criticized President Clinton for having an

over-expansive definition of our interests to include humanitarian issues and broader, softer social issues and environmental issues and the like. It put a great deal of emphasis on traditional allies and the need to deal with great powers and focused on the conservation and projection of American power, but in a limited and restrained way, worrying about the problems of over-reach and the like.

The approach to the world was dramatically upset by the attacks of September 11. Going into September 11, as I say, the focus was on sort of traditionally looking at the world as one in which the biggest threats to the United States were powerful countries, the most likely threat to the United States being a rising China. But after 9/11, there was a clear new enemy that superseded everything else, the threat of terrorism, which was an existential threat to the United States; in particular, the danger that the threat of terrorism would become linked with the use of weapons of mass destruction, which would make this existential threat truly catastrophic. The possibility that an undeterrable enemy, sworn to the destruction of the United States and our interests and our values, would be able to acquire the means to actually make that a plausible threat.

As a result, we saw a dramatic reorientation of American foreign policy. The priorities were clear: it was dealing with the threat of terrorism. The President made clear that there was a simple litmus test of who was with us and against us, and that had to do with who was with us in fighting against terrorism and who was not giving us support.

As John suggested, the word “democracy” did not play a significant role in that. As we began to develop a new set of relationships around the fight against terrorism, our allies were likely to be governments like Uzbekistan or Kyrgyzstan who do not exactly qualify high on the National Endowment for Democracy’s, or TDF’s, notion of highly democratic governments. As it were, they are countries, which perhaps were not supportive of the United States even if they had democratic governments.

We saw a recognition at the same time that although the Administration continued to value allies, we heard the formulation offered by Secretary Rumsfeld that from henceforth, the mission would determine the coalition rather than the coalition determining the mission, in effect suggesting that notwithstanding longstanding ties with allies and others, if they were not prepared to play, then they would be left on the sidelines.

Conversely, old countries which did not have longstanding ties or relationships with the United States, if they were willing to be supportive of the goals that the United States was pursuing, would be welcomed participants in the new effort.

The President made clear in his national security strategy that he believed in this context: that all the great powers of the world, including Russia and China, were now on the same side, and that is a statement which could only be meaningful if you defined “the side” as being “for us” or “against us” in terrorism, because it certainly did not include “for us” and “against us” on the values issues that we have been talking about today.

It was also a strategy that clearly emphasized that the nature of the threat was such that we could not wait for traditional multilateral exercises to run their course, that the risks were so grave, the danger so imminent that we had to be prepared to act by ourselves, and even before those threats became imminent, because we could not wait, in the words of National Security Adviser, Condoleezza Rice, for the “smoking gun to be a mushroom cloud”. So we had to be prepared to act preemptively and to act decisively by ourselves when we saw a threat, even if we were unable to convince others that that threat required action.

The first exercise of power along those lines was in Afghanistan. The United States, although it had the support of the world at large, decided largely to conduct that military operation by ourselves. We saw this as something that was vital to us and could be done more conveniently without engaging a lot of other countries in the effort. But there was not too much concern about that because most of the countries of the world shared our view that the Taliban regime in Afghanistan was a serious threat, that it had harbored known terrorists and was responsible in its own way for the terrible attacks on September 11.

Very quickly, the issue moved on from Afghanistan to Iraq and the Administration, again invoking this doctrine that we could not wait until threats ripened, lodged a campaign to take action against Saddam Hussein.

I do not need to recount for you the very difficult political international debate about that, but the Administration ultimately was convinced that while it would prefer to have the support of as many other countries in the United Nations as possible, the threat was such that we had to act and time was not on our side and we had to move forward.

So we had the intervention in Iraq and now we find ourselves there with a very successful initial stage of the military operations but a much more complicated environment now.

So I would now say we are into the third phase of United States foreign policy; the third phase in which the Administration is beginning to recognize that the kinds of ideas in the national security strategy of the desire to act preemptively; of the necessity to act alone and decisively wherever possible; of the view that friends and allies were useful but not necessary was not a terribly sustainable strategy for the long term; that the nature of the problems that we face in Iraq and elsewhere in fact do require other countries to be part of the effort; that military might alone is not going to be successful in dealing with these challenges; and that while it may be appealing to argue that we should nip dangers in the bud before they ripen, it is sometimes very hard to know whether those dangers are really the kind that require those kinds of actions; and that there may be very serious unintended consequences as a result of acting at an early stage.

So we now see an evolution, I think, of the Administration’s policy. It is very dramatically the case in trying to deal with the problem of North Korea, where the Administration is now focusing on multilateral efforts in engaging friends and allies to

help deal with that problem. We are also seeing it with respect to Iran, where the Administration, which had been very reluctant to see any engagement with Iran on its nuclear weapons program, has now come to accept the value of the EU Foreign Ministers' initiative.

So what we now see is again a growing recognition about the importance of having friends and allies, and that has very significant implications for East Asia, because what we are seeing now once again is that the Administration is recognizing the value of strong, traditional relationships. So when the time came for who was going to give both material and financial and military support to the United States in Iraq, the first place the Administration turned to was to Japan.

The argument was not simply that Japan had its own stake in peace and stability in the Middle East, which of course it does, but also that this is what friends are for, and that when you have long term relationships there is a need to come to the assistance of one friend when they need help. Similar arguments were made with respect to South Korea.

What they are seeing is that of course those are very powerful arguments, that there are strong ties that come from long-standing relationships and that there are a set of value and security interest ties that make a difference. So what we are seeing once again, is a recognition that developing and sustaining alliances is quite important.

But at the same time, the question then arises about what happens when you have the need for others with whom you do not have long standing ties. Of course, the most dramatic case is in China. The Administration came into office arguing that China was a strategic competitor and not a strategic partner of the United States. Yet, as the Administration recognizes the need to have support in Iraq, in North Korea, in other multilateral forums, the role of China plays a much larger role, and the United States is increasingly coming to see that these issues are not black and white, and that you have to find ways to try to work with others.

So the question then becomes: is it possible for us to have a strategy in which we sustain these long-standing relationships with traditional allies in East Asia and yet build new bridges to others that we want to have as partners? I think that is going to require perhaps yet a fourth phase of the evolution of the Bush Administration's foreign policy, which is to recognize that we need to begin to define a long term goal strategy to deal with these problems that recognizes that we cannot simply have alliances of conveniences, even with countries as powerful as China. That if we do not have a long-standing agreed set of principles around which we develop these relationships, that these ties will not be reliable.

So it may be for the moment that China seems like a supporter of the United States in dealing with the Korean crisis, or perhaps giving the United States support in the war against terrorism, but can those relationships last over the long term unless there is a

deeper understanding about whether there is a commitment to similar values in the international system and the like?

I think that very much touches on the point that John raised, which is an understanding that this idea of coalitions defining the mission is a very, very perilous one, because it means that not only can you not count on the other side being there when you most need them, but that you in turn will become dependent on them irrespective of what their agenda is as well, and that no matter how powerful we are as a nation, that we are not going to be able to have this as a one-way bet in which we can basically assume that other countries are going to follow in our wake.

I think that is where relationships like the relationships that we have with Japan and South Korea, and like the relationship that the United States has with Taiwan become so important, because there is a different quality to those kinds of partnerships that sustain common interests over the long term.

I think it is trying to build a new structure and a new system that embodies those values both in bilateral relationships and in broader relationships in the international community by strengthening organizations like the UN, by strengthening regional security organizations, that we have a long term prospect for peace, not one based simply on unilateral American power or ad hoc coalitions for the moment.

MR. THORNTON: Jim, thanks very much.

Jack, moving on to you, and as I said earlier, in the Clinton Administration, Jack was responsible for Asia, and then in the Bush Administration was really the point person on Korea. So I do not think we could have a better person commenting on Korea than Jack Pritchard. So without further ado, Jack, over to you.

MR. Jack PRITCHARD: Thanks very much. I very much appreciate the opportunity to be here. I had a very good session yesterday with some colleagues at the Ministry of Foreign Affairs, with what used to be my colleagues but now....



Let me go straight to the heart of the question that was posed here, and that is whether the security in the region is improving or worsening, and I will use North Korea as an example here. Although I will point out that this is not a study in an academic means, because the issue is unfolding before us, I would say that the answer to that question will be determined by the next round of six-party talks. In other words, we are at a crossroads.

Whether or not the situation in Northeast Asia improves or worsens will depend very much in part as to whether or not the Bush Administration has been able to coherently put together a strategy to use in the next round of talks, unlike what occurred in the first two.

Before I get to that, let me set the stage for you in terms of what is at stake and what has happened over the last year. Clearly, the North Korean nuclear weapons problem goes back many years, having what we thought was a brief period of resolution in October of 1994 when the Clinton Administration reached what is referred to as the Geneva Agreed Framework in October of 1994.

In the development of relations with North Korea, this Administration went through some fundamental reviews of what it wanted to do. It believed that there were some flaws in the way in which the Clinton Administration approached North Korea and, understandably, undertook a review.

That review process was very indicative of where we are now. It broke down early. It was supplanted by, rather than a bottom-up process of consensus, one in which the policy was established at a more senior level than we would. Rather than the previous Administration which dealt with the most serious of weapons of mass destruction and their means of delivery, nuclear weapons and missiles, the new Administration believed across the board that there was a moral obligation to address humanitarian, human rights, and conventional weapons, as well as nuclear weapons and missiles.

In June of 2001, the Administration concluded a policy review and I was set forward with the task of bringing the North Koreans together for direct bilateral and serious discussions which contrast with where we are today in the evolution of how the Administration is addressing the problem.

We spent from June of 2001 until April of 2002 trying to convince the North Koreans that the Bush Administration was in fact serious, was prepared to have a discussion on the future of the relationship.

What occurred in April of 2002 was the President's decision to review yet again what our policy was even before we had begun the process of talking with the North Koreans. That resulted in a delay. In April, the North Koreans essentially said, "Yes, we are ready to have that discussion." We said, "Well, not so fast; we are not ready."

We underwent another review in which the President decided that it would be best to try to resolve all it wants providing a basis for some bold approaches towards North Korea. We would require the North Koreans to do a lot more, but in return we were prepared to provide economic and other assistance in larger quantities than we had previously been thinking about.

We went through a process that led to a potential meeting that was going to occur on 10 July in 2002, but you may recall that an incident occurred in the West Sea between North Korean patrol boats and South Korean patrol boats in which a South Korean vessel was sunk, with the loss of five South Korean sailors. That led to a decision to rescind the request for a meeting.

Concurrently, about the same time, the United States intelligence community began to put together a more serious picture and a more unanimous picture of what was occurring in North Korea with regard to what was initially believed to be an embryonic research and development program in highly enriched uranium. That turned out to be a far more serious program than the intelligence community led us to believe.

What we did then was to move forward to take a meeting with North Koreans in October a year ago. That meeting, which was a very telling point in the relationship in the North Korea, ended very abruptly in a 55-minute meeting with the First Vice (Foreign) Minister Kang Sok Ju, in which the United States delegation for which I was part of believed we heard the North Koreans admit to their HEU program.

I would point out that it is somewhat irrelevant -- the intelligence the United States had at the time was strong enough to lead us to believe that in fact there was a serious program underway and one in which it violated the basic principles of the agreed framework.

What happened in rapid order and what we are now trying to deal with is the cause and effect of the reaction to that confrontation in October of a year ago. The United States came back and began a process that led to the suspension of heavy fuel oil, some 500,000 metric tons, which the United States was committed to (help lead?) KEDO, the Korean Peninsula Energy Development Organization, to provide to the North Koreans on an interim basis until the first light water reactor was built.

We suspended the final shipment of that year on 14 November. The North Korean people began to say, "Well, how come they are not reacting?" Well, they were not reacting because the current shipload of heavy fuel oil, the October or November shipment was in port. The North Koreans were not going to do anything that would jeopardize their final delivery of oil, but by 12 December they began a process of notification to the IAEA to remove the inspectors.

What then began was a series of events that put into place by contrast what we had, which was a freezing of the no nuclear program by North Korea. Their spent fuel and their reactor were under monitor by the International Atomic Energy Agency and, quite frankly, everything was fine as long as you believed what the Agreed Framework ultimately stood for, and that was an ultimate accounting of the entire North Korean program.

Some of the criticism of that along the way, as you may be familiar with, was that it perpetuated the North Koreans of being in a state of non-compliance of their obligations under the Nuclear Non-Proliferation Treaty, but what occurred then was in rapid succession, the North Koreans always announcing to us what they were going to do—the removal of the inspectors, the unsealing of the monitoring equipment, the unfreezing of the facilities at Yongbyon, the withdrawal of their membership in the NPT, the restarting of their 5-megawatt reactor and eventually the reprocessing of some 8,017 spent fuel rods—all of which were occurring in the prelude to the war in Iraq. The

President has made some decisions essentially saying that there will not be a crisis in Asia while he was handling the crisis in the Middle East.

So we are now at a situation in which the North Koreans have moved beyond some of the red lines that the previous Administration established, particularly on plutonium reprocessing, and we are faced with a situation in which, while our concerns were sparked by highly enriched uranium, it is not highly enriched uranium that is the immediate concern. The urgency now has been the unfreezing of the facilities at Yongbyon, the reprocessing of the spent fuel rods and the development of those, the extracted plutonium, into additional nuclear weapons.

During these last several months, the North Koreans have confided to Assistant Secretary Jim Kelly that yes, the United States' suspicions that they had one or two nuclear weapons were correct; yes, they did have nuclear weapons. They later went on to say that they would in fact begin the process of extracting the plutonium for the purpose of developing a nuclear deterrent force. They have since told us they have completed the reprocessing.

While I do not believe the intelligence community is convinced that that is true, but nonetheless it has the prospects of a North Korea with six to eight nuclear weapons, adding to their probably one or two, in a very short order. The manner in which the Administration has handled this has gone from, as I mentioned at the outset, seeking direct bilateral contact with the North Koreans, to refusing to have direct bilateral contact until the North Koreans have completely, verifiably and irreversibly dismantled their nuclear program, both HEU and the plutonium-based program.

What has occurred in the several months is an attempt to change this from a character of a bilateral problem between the United States and North Korea to one that is multilateral, and I believe that is appropriate. I do not know if this is the chicken or the egg that has helped them review their actions with regard to Iraq, but, nonetheless, they have taken some appropriate steps by multilateralizing the issue in North Korea.

The process began by a suggestion by the Secretary to the Chinese in Beijing that they would be an appropriate host to bring about five-party talks. The Chinese really did not respond but took the initiative and approached the North Koreans to establish what they hoped to be the five-party talks. The North Koreans immediately rejected it.

The Chinese, on their own initiative, changed that proposal to three-party talks and then put some persuasion behind their offer in the form of perhaps turning off oil supplies for three days to North Korea. But nonetheless, the North Koreans did agree, and the United States, the Chinese and the North Koreans met in the middle or the end of April of this year.

The problem being that the inability of one part of the Administration to put to the other a coherent strategy of how to conduct the talks led to a set of instructions for which the chief negotiator, Jim Kelly, was prohibited from having any sort of bilateral contact

with the North Koreans. That was the basis by which the North Koreans believed that they were coming to this trilateral meeting, an opportunity to talk one-on-one with the United States.

When that broke down and the United States refused to meet with them, the talks themselves broke down, and I will fast forward to yet an important element here and that is the continuing participation and involvement by Beijing. I think anybody would objectively say that after the failure of April, the Chinese very well could have backed away, been given credit for a good try, and no one would have blamed them for not pursuing this. However, they continued their efforts, along with some other efforts - and it was referred to as the New York Channel - to put together a six-party session that occurred in August of this year.

Unfortunately, the instructions associated with that were very similar, meaning that while the United States was willing to participate in a multilateral session, it was unwilling to provide any meaningful direct contact with the North Koreans.

We are faced now with the prospect of the next round being the last round. I am convinced that the North Koreans will attend. There have been some recent movements that have all indicated that things will go in that direction. First, some modification by the President, in which he announced on the 19th of October that the United States was willing, in a multilateral framework, to put a written security guarantee on the table. What is unknown at this time is what the United States will demand or request in return for that. That will simply not be a unilateral gift by the United States. There will be some commitments that will be required of the North Koreans. We do not know what those will be.

The North Koreans' initial unofficial reaction, you may recall, on 22nd of October was, "This is unworthy of consideration; it rather is a laughable matter." Things played out somewhat predictably as the Chinese began another round of shuttle diplomacy in which they were sending their number two, Wu Bangguo, to Pyongyang. Pyongyang held off; said, "Don't come yet." They wanted to see what the President would do during his APEC trip to Asia. Once that was well underway, they permitted Wu Bangguo to come.

Three days prior to his arrival in Pyongyang, the North Koreans officially responded to the President's offer and suggested that if this was an indication that the United States had modified its position, then they were prepared to consider the written guarantees that the President had offered.

That relieved the North Koreans from having to appear as though they were reacting to the pressure of the Chinese during Wu's visit. Wu visited and all is history at this point. The North Koreans have indicated a willingness now to consider in principle, agree in principle, to attend the next round of talks.

Now, coming back to the first part of the question, what is going to happen at the next round of talks? If the United States presents a reasonable proposal that is well

coordinated with the other four members and the demands are not too onerous in terms of the North Koreans and they keep in their sights the desire to perpetuate the process, that means if there is an agreement to perhaps freeze the activities - the plutonium-based activities at Yongbyon - in exchange for a conditional written guarantee, the process has the prospect of proceeding and things will begin to look up.

If the next set of talks fail, I am afraid that the North Koreans will not in the future agree to any other meetings, much like they abandoned the four-party peace process that was begun in 1997 and ended unilaterally by the North Koreans in 1998. So let me end with that.

MR. THORNTON: Jack, thank you very much.

Frank, you do not need an introduction from me in front of this audience, but let me just say personally that no one has been commenting longer or more intelligently about China than you, so I am very much looking forward to your comments about current Chinese foreign policy.

MR. Frank CHING: Thank you so much, John. I have been asked to talk about the new leadership in China and its foreign policy. The Chinese, as you probably know, normally insist that their policy is always consistent; that is, there is no change, no deviation. When Hu Jintao went on his first trip overseas as head of state in June, I expected him to again emphasize that there was no change, just a continuity of the Chinese foreign policy.



I was a little surprised to hear him say at almost every meeting that he had - you know, with the Russians and the French, and with various people - that “this is the policy of the new leadership”. Instead of emphasizing continuity, he emphasized that there was new leadership in China. That came as an interesting surprise to me.

But then looking at the policy itself, I think there has not been any change. So even though there is new leadership, the policy remains pretty much the same; it is the same policy that has been in place for quite a while. Of course, it is very different from the days of Mao and even the early days of Deng. You remember when Chairman Mao was around, the emphasis was on the inevitability of world war; war is inevitable.

When Deng first came in, he did not depart from this. His position was that, well, war might be inevitable, but it can be delayed. Now, after Jiang Zemin came on, there was no more talk about inevitable war and even of the need to delay it; they now assume that war is not inevitable.

This ties in very well with their domestic policy. The domestic policy is economic development, and this has been the case for almost a quarter of a century now.

In order to have successful economic development, they need a quiet environment, a quiet international environment, and especially a peaceful environment in the region.

To this end, they have been working very carefully and very successfully at improving relations with virtually all of their neighbors. They have agreements in place to resolve all land border issues. I say “land border issues” because there are still disputes having to do with, you know, islands like the Diaoyu Islands of Japan, for instance.

The one country which they have not resolved a land border issue with is India. Even there, there has been a change. Both sides have appointed very high level emissaries to look at the border issue. I think that since there is the political will now on the part of both countries, that that issue should be resolved pretty soon.

Now what I would like to do is to go quickly around China’s periphery. Now, in the north, China has Russia and Mongolia. Even though Mongolia is really very sparsely populated, because its population has the same ethnicity as the original inhabitants of Inner Mongolia, China has paid Mongolia quite a bit of attention and Hu Jintao, in his first trip overseas, visited not just Russia and France and Kazakhstan, but also Mongolia on the way home.

There are not very many problems with Mongolia.

Russia and China signed a friendship agreement in mid-2001. Even though that is not, technically speaking, a defensive agreement, not a military alliance, it still very clearly makes China and Russia strategic partners. Along with Russia, China helped form the Shanghai Co-operation Organization, which includes the four “-stans”: Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

I think it is very interesting to note that the Shanghai Cooperation Organization, the SCO, was formed in July primarily for the purpose of countering Islamic terrorism and also separatism. But terrorism on the part of Muslims was really the primary goal and this, of course, preceded September 11 by a few months. But after September 11, the United States went into this region and the SCO really was not very effective. Because it was a brand new organization, it did not have any infrastructure in place. But it is interesting that at least at that point, China and the United States—China perhaps even earlier than the United States—recognized the threat of Islamic terrorism.

In Northeast Asia, China has been working very closely with both Japan and South Korea. This started as part of the ASEAN process, the “ASEAN plus three,” whereby the leaders of ASEAN met with the leaders of Japan, China and South Korea every year and on the margins of those meetings, those three countries had summit meetings annually. That, I think, has brought about a much closer relationship between those countries and there has been talk of a free trade area involving those countries, but I do not think that is imminent; that is pretty far off in the distance.

As far as Southeast Asia is concerned, China already has an agreement to have a free trade area with the ten countries in ASEAN, and that will come into effect by 2010. There is now talk of an East Asia-wide free trade agreement some time in the future. Certainly, if Japan and ASEAN reach an agreement, and Korea and ASEAN reach an agreement, then in fact you would have that, which was Mahathir's dream in the old days. Remember, in the early '90s Mahathir wanted to have the East Asia Economic Caucus and the United States objected, but through the "ASEAN plus three" process that has really emerged.

Last month, I was in Singapore for the World Economic Forum meeting and Prime Minister Goh Chok Tong said that by 2025 he expected that there would be free trade area agreements between ASEAN and Northeast Asian countries: China, Japan and Korea, and India as well. So it is quite likely that we will see the emergence of an East Asian identity.

Now, getting back to India. India is the one country that China has had rather serious problems with. You know, they fought a war in 1962. When India tested its nuclear bomb, I guess, in 1998, the Indian defense minister more or less justified this by citing that they have to protect themselves from China. He referred to China as India's potential enemy number one.

Now, all that talk has gone and when Prime Minister Vajpayee visited China earlier this year, the two countries signed an agreement that in fact removed a lot of the problems in that relationship. India openly recognized Tibet as part of China and a few months later China recognized Sikkim as part of India. So it looks to me like that relationship is now much, much improved.

Now, of course, Chinese foreign policy is not only focused on its relations with countries on its periphery. China is also very much focused on world powers, the main powers of the world, Europe and the United States. The Chinese and the European Union have been rapidly improving their relationship and in fact they just had another summit meeting, maybe a week or 10 days ago. Before that summit meeting, China for the first time issued a policy paper on how it sees the future relationship with the European Union. This is the first time to my knowledge that China has issued a policy paper on any part of the world.

Ever since the disintegration of the Soviet Union, China has been casting around for other parties that were like-minded, that wanted to check the United States' power and correct the situation of having a sole super power in the world. Europe and Russia, I think, in China's eyes, are its natural partners in this, and I think both Europe and Russia in fact are also interested in what they call the multi-polar world emerging rather than having the United States as the only power.

In the months leading up to the invasion of Iraq, it became quite clear that Europeans, generally speaking, were unhappy with the United States approach - they did not see eye to eye - with the possible exception of Britain and Spain, but even there in

those countries I think the population may not necessarily agree with what the leadership eventually did.

Of course, China is not about to turn its back on the United States; in fact, I would say that the United States is considered by China to be the single most important bilateral relationship that they have. In fact, the United States has been very important to China as a source of capital and technology, and also for the United States market which takes a very substantial portion of Chinese exports. Of course, the United States is also very important in another aspect; it is the guarantor of Taiwan's security.

In that regard, the Chinese, I think, have recently learned a lesson. They have discovered that the bullying tactics that they had used in the past, like before the 1996 elections and before the 2000 elections, were really counter-productive. The result of those tactics led to Lee Teng-hui winning the election by a very wide margin in 1996 and to Chen Shui-bian winning three years ago.

So this time around, I think the Chinese are being very restrained. They do not want to do anything that will help Chen Shui-bian be re-elected, but at the same time I think that they must be very unhappy about a lot of things that are happening in Taiwan and they feel that they cannot come out openly and issue threats and warnings, but at the same time I think what they are doing is going to the U.S. and asking the U.S. to help restrain Taiwan.

The American relationship with China was forged 30 years ago when Kissinger first went to China. At that time, it was entirely geopolitical. Nixon wanted China to help extricate the United States from the Vietnam War and then later on, the emphasis was on a joint opposition to Soviet hegemony, the United States and China working together. Of course, the basis for that relationship disappeared with the disintegration of the Soviet Union and a new basis had to be constructed.

To some extent now, the war on terrorism and the common position on the Korean Peninsula provide some of that, but I think really trade, which was totally insignificant previously, has now moved up and become the major thing holding the two countries together. But of course that also resulted in many problems from the U.S. side, and China also acknowledges that the United States has a rather large trade deficit with China but their figures differ. The United States says that the trade deficit of China is on the order of \$130 billion, and in recent months, because there was a lot of pressure on China to revalue the Renminbi, and the Chinese, I think, recognize that this has a lot to do with the American Presidential campaign and resisted this.

I have seen now that even the United States Treasury Department has come out to say that this is not really a major issue, that this is not the cause of unemployment in the United States. But China is cognizant of the fact that this is a very sensitive time in the United States and they have decided to send a buying mission to the United States where they have spent billions of dollars buying American products and hope that that will ease some of the pressure on them.

I think that it is clear that China is a rising power and it is becoming more assertive. Deng Xiaoping had advised the Chinese leadership that they should be tolerant and in fact they should bide their time. I think that a lot of people now in the new leadership view that they have spent enough time biding their time and that on certain issues now, they should be able to take a position and be firm and insist that they will not succumb to political pressure.

There was a recent article on the People's Daily website that stated this, and I think it is quite interesting. I quote:

“It is far from enough for a big responsible country merely to get its own affairs well done. It should also take an active part in international affairs and undertake its international obligations.”

So China sees a more active international role for itself as part of its international obligations. China is going to be hoping that eventually it will become a big responsible country worthy of the name. Thank you.

MR. THORNTON: Frank, thank you very much. Okay, now, we have about an hour left for discussion and questions. I am first going to ask each one of the panelist if he cares to comment on anything that was said by another panelist, and then - I will give them a second to get their mind around that - and then open it up to the floor. I would ask you to keep your comments or questions to two to three minutes, and if you could introduce yourself, that would also be useful. So, panelists, any comments you would like to make about each other? Jim?

MR. STEINBERG: Just maybe say a word on Frank's last point, which I think is very important. I think the big challenge looking at the bilateral relationship between the United States and China in the future really has to do with the basic model of international relations that one brings to the question of relationships between significant powers, which is: is there a possibility of building a partnership, a non-rivalrous partnership, between a big power and a rising power, or whether it is inherently in conflict and whether the fact of China's rising power is inherently threatening to the United States and its interests?

I think that is really at the core of the debate within the United States and probably within China, too, although I would be interested in Frank's view about that. It is very interesting because the Bush Administration's National Security Strategy explicitly sides with the view that China is an inherent threat, even though it also says that the United States and China are on the same side, because the strategy says that the goal of the United States, the objective of the United States, is to make sure that no country will seek to rival the United States, and that really is a kind of a zero-sum view about what the relationship is, whereas others try to argue that there can be a strategic convergence, at least in theory, that would mean that a stronger China is a potentially stronger partner of the United States.

John, you have cited Colin Powell's statement. It has become almost (indistinct) within the United States government to talk about, you know, the United States welcoming a strong and prosperous China, but one always wonders whether people are saying that with their fingers crossed behind their back. I do think that really is the core question. Then that goes to Frank's point about how China sees its future.

Does China see itself as a potentially status quo power that will have a relatively broad range of common interests with the United States in preserving a status quo that is mutually beneficial? Or whether China will see that its own national interests require them to play a role which changes the relative responsibilities that in effect places the United States as the dominant strategic force in East Asia, in particular, and whether that would require a sort of receding of the United States wall?

I think that debate will absolutely frame the set of relationships that develop for the next generation, and that in turn, is going to have a lot to do, in the first instance, with sort of basic theories that each side brings to it, but also what the kind of understandings between the two sides are, and whether there are kinds of ways of providing reassurance that would allow that second model to develop.

MR. THORNTON: Thank you. Frank?

MR. CHING: There was some mention earlier about rising powers and declining powers. Now, the United States was not always the superpower that it is today and there was a time when the British Empire was one, on the pun, on which the sun never set. I do not recall any major conflict between Britain and the United States when the British influence declined and the United States influence rose. I do not think the British tried to put the United States down and said that they would always be number one, which is what the United States' position is now in the international security position.

I think that China is by and large a status quo power. It has emerged that way. It does not seek to change or overthrow international arrangements; in fact, it wants to be accepted as part of the international community and it has been joining international organizations and I think, by and large, abiding by international rules.

The Chinese have also indicated that the United States' role in East Asia is a positive one and they are not seeking to drive the United States out of East Asia. But I also think that Taiwan is a rather intractable problem and eventually there is likely to be some conflict between the United States and China over Taiwan, because, as China's economic and military strength increase, I think that it would try to increasingly bring Taiwan into its sphere of influence.

Conceivably, this could be done peacefully without Taiwan becoming incorporated into the PRC. I think China is hoping that the economic complementarity between the mainland and Taiwan will gradually suck Taiwan in, as it were, and that it would become a *fait accompli*. But if China were to try to resort to force, then I do not

see any way that the United States can avoid being drawn into this. So that, I think, is the one issue.

Otherwise, the United States has asked Japan to take on a bigger role in Asia in the military. It does not mean that the United States wants to do everything on its own. The United States, in fact I think, is quite happy to have its allies do things for it, like Japan and Australia, but China is not yet that kind of ally. I think there is no sign that it is going to become an ally like Japan and Australia for a very long time.

MR. THORNTON: Jack, if I could just ask you one question? Just to ground this - I do not know if this is fair or not - but if you look at the situation in Korea, which is a real situation, it is immediate, it is problematic, it is difficult, and you look at the interests of the United States and the interests of China, one would common-sensibly think that if there were ever the situation where the two countries could cooperate, this would be it. So my question is: in a very mundane practical sense, what is the nature of the relationship between the United States and China in a situation like that? What is the level of communication? What is the nature of the relationship? What is the level of trust, just to kind of ground this relationship in a practical sense as of right now?

MR. PRITCHARD: You know, it is interesting, and I will get to a point that I would like to ask Jim about in terms of the United States' evolution to a multilateral approach, but I think the United States has done a couple of things with regard to China. First, it is moving in this situation with China in hopes that the Chinese would be able to exert some degree of pressure that will control the situation that the United States is not now prepared or able to react to, so there is a practical aspect of that.

It is also one in which I have seen certainly the Secretary of State trying to accommodate Chinese views on Korea, not for the sake of Korea but for the broader relationship. There is a belief within the Administration that they have developed a longer term, for lack of, a better way, a more strategic relationship with the Chinese that is worth cultivating. And therefore, in practical terms, when the Chinese, as an example, came, when Dai Bingguo came to the United States following the failure of the April talks, the Chinese view was, "Let us try another round of three-party talks."

Now, the United States was absolutely committed not to do that, but the compromise was, for the sake of the Chinese, "Well, we are prepared to do that, but as long as it transitions immediately into six-party talks; if you the Chinese believe this is the way to get the North Koreans here, we are willing to go along with you." So there has been a practical approach.

The level of communications is adequate but it is based upon incidence. There is not a TCOG - a Trilateral Coordination Oversight Group. I mentioned this in relation to what Dr. Perry set up to coordinate policy between Japan and South Korea with regard to North Korea. There is not such a mechanism with China. It is by and large the Chinese who have taken the initiative in coming to Washington, concerned about how the United States will approach this issue.

So in practical terms, it has been one in which there is a problem here for which the United States cannot get its arms around and in the near term it is satisfactory that China take the lead on that.

MR. THORNTON: Anything you want to say?

MR. PRITCHARD: Yes, if I may. Jim talked about the evolution of the Bush foreign policy, and I do not know if North Korea is unique in this, but as I look at it, I see the evolution, and there has been one in the Bush Administration in how to handle North Korea, towards a multilateral approach which would categorize it, as Jim put it, in more traditional ways than which the United States has approached foreign policy.

But I see the approach on North Korea in negative terms. The initial reaction by the Bush Administration was a negative one to the Agreed Framework. HEU represented the first tangible break that the Administration could point to in terms of the failure of the Agreed Framework.

In terms of the ability to apply a pre-emptive approach to North Korea, the situation in Iraq preceded that and precluded that. There was at the same time rising concerns among our traditional allies, particularly South Korea and to some degree Japan, around February of 2002 following the "Axis of Evil" speech in which the Administration had to work hard to assuage the concerns that talk about a potential war in the Korean Peninsula was a reality. But, all of a sudden, the talk was going on. I think the Administration also saw the failure of the international institutions, particularly the IAEA Board of Governors, to bring the issue to the United Nations in such a way that the multilateral forum could work, so they saw a need to lay the groundwork by actively cooperating in this arena that lays the groundwork for potential UN action.

Now, the only concern that I have is there exists on the Korea model the potential that all of this is simply setting the stage for the Administration in their next term, to go back to a unilateral view of resolving the situation on Korea. So I do not know if in broader terms it is a positive learning experience that has gotten them to where they are now worldwide or, as I would think in the North Korea example, a negative experience.

MR. STEINBERG: I like being in the unaccustomed position of trying to defend the Administration, Jack, so it is...

MR. PRITCHARD: I know you do.

MR. STEINBERG: But I will, actually, a little bit in this case. I mean, I think that, to put it back into my paradigm, when the Administration came in, they not only scored the Agreed Framework but they basically had a view about North Korea and the nature of the problem in North Korea, which was quite a unilateral one and was focused on the United States' priority, which was dealing with the proliferation problem.

So even before the “Axis of Evil” speech and before 9/11, you had the famous meeting with President Kim Dae-jung in which the President basically said, “Well, we do not much care about what you think in your Sunshine Policy, we have a different view and we are going to make that very public; even though you are an ally, you are wrong and we are right and that is what we are going to do.”

That evolved or continued to move over time along those lines into the “Axis of Evil” speech which was again a sort of very strong unilateral assertion about how the United States saw the problem, and in many ways, if you think about the whole regional dynamic around the problem of North Korea, you can think about it as a problem on two axes. There is one axis which is: how worried are you about proliferation and the prospect of North Korea getting a nuclear weapon? - on the X-axis. On the Y-axis: how worried are you about a war on the Korean Peninsula?

You can plot where each of the countries are in the region, you know, with the United States on the far end of saying, “Well, the dominant concern is nuclear weapons, because that is the only way North Korea could really threaten us, either by developing nuclear weapons and a missile and/or giving the nuclear weapons to terrorist organizations.

At the other opposite quadrant is the South Koreans who basically have already faced the equivalent of a nuclear threat just from the mortars and the rockets and everything else, and so it is not clear that a nuclear weapon would pose a greater danger to South Korea than the conventional forces, and the South Koreans doubt that the North Koreans would use nuclear weapons against fellow Koreans.

On the other hand, they worry a lot about policies by the United States that would create instability that might cause a war. And then you have Japan and China in between. Both Japan and China are worried about both. China, a little closer to South Korea, worries more about instability, I think, than the nuclear problem, but they are worried about both. And Japan is a little bit more worried about the nuclear dimension, because that is the greater threat to them, but also some of the other.

So what you had was the United States which is, at this one end of the spectrum, largely worried about the proliferation problem and of the view, at least in the early going, that the only way to deal with it was through regime change. That sort of precluded the possibility of multilateral action, because our view was so distinctive and unshared with any of the other partners in the region that it was going to be hard to get partners.

And then I think what happened over time was a recognition that we were not going to be able to achieve that; that is, that if the other countries - Japan, South Korea and China - did not share roles, then we could not unilaterally pursue a regime change strategy vis-à-vis North Korea, because the Chinese would bail them out, and that we would risk not having the military support we would need to do what would back up a regime change policy.

So the reality of a situation on the peninsula forced us to recognize that a unilateral approach based on a United States-centric set of interests was not going to work and therefore we needed the others to be involved and we had to adjust our strategy to take into account the interests of others.

Now, is that something that could change in a second term? I think there may be some in the Administration who would like to do it, but I think that the practical reality remains the same; that it is almost impossible to run that unilateral strategy in this region for both to be successful and not to have such severe collateral consequences for the United States. And so I think the objective reality, as someone once used to categorize it, is such that it will not work.

In many ways it is why I think it is probably safe to say that Iraq in some ways represented a unique moment, and the sort of high moment of the possibility of running a unilateral strategy because of the relative weakness of Iraq, the fact that it had few friends in the world, the unique way in which the United States military posture was disposed, the fact that Iraq had been out of compliance with UN Security Council resolutions, have created an environment when there were things that could be done. And you can think of a few other small countries -- I mean, if the United States really wanted to get rid of Bashar Assad in Syria, we could probably do it.

But I think that whatever the sort of dark preferences in the hearts of the Administration, that these constraints are real and there are big stakes to be played for, which leads me to be at least cautiously optimistic that this movement towards a recognition that we just have to do this in a more multilateral framework is likely to prevail over the long term.

We certainly imagine - I mean, imagine the United States having to bear the consequences of triggering a war in the Korean Peninsula that nobody else supported.

MR. THORNTON: Thanks.

MR. CHING: Jim mentioned that the Administration came in with a unilateral view of North Korea, and I was wondering - my impression was there was no clear Administration view for awhile. When Kim Dae-jung visited, I remember Colin Powell came out and said that, "The previous Administration had left certain things on the table and we are going to pursue those things," and then the next day Kim had this meeting with Bush and it was clear that that was not the situation.

So why is it that the Administration could not get its act together? Why was not the Secretary of State privy to what the Administration's position was?

MR. STEINBERG: Frank, there is only so far I am going to go in trying to defend the Administration. I think that is a good question but I think it was a clear sign of where the Administration, or at least the President was at the time, that he was willing, frankly, to

publicly humiliate his Secretary of State. So I think that Powell, as he put in his own words, was very confident that he got a little forward on his skis. He clearly recognized that he was out of sync with where the thinking was at the time.

MR. THORNTON: Okay, questions or comments from our friends in the audience. Sir?

MR. Richard VUYLSTEKE: My name is Richard Vuylsteke, the executive director of the American Chamber. You have touched a bit on the economic dimension of security, but I wondered if you could do a little more, especially as I guess this audience is particularly interested because the local debate is very strong on the security dimensions of economic integration across the Straits, but in a larger context, the American interest in this part of the world with the rise in China economically is an important factor for decision-making in Washington and the somewhat greater frustration with Taiwan in the economic front at the same time. I wonder if that is redefining some of the concerns long term on security relationships, say, of the inter-relationship between the United States, Taiwan and China.

MR. STEINBERG: I think, John, you should probably take a crack at this one too.

MR. THORNTON: I will.

MR. STEINBERG: I think that it is an extremely important question that has been a very big part of the American debate about China. During the whole late '90s, as we went back and forth over the Most Favored Nation - I guess, normal trading relations we call it - debate and into the WTO debate, the critics, the people who focused on the security dimensions, were always worried that the deeper economic relationship would hamper the ability of the United States to take strong action on the security front because we would be too dependent on and unwilling to risk jeopardizing the economic relationship to achieve security goals, and that that became a constraint. It was sort of a creeping constraint on our ability to pursue our security interests in the region. The other side argued that, no, China had as big a stake in this as we did and the fact of this interdependent engagement was a constraint on both sides.

I think that debate has been muted for the time being because the security challenge is weaker, the countries are getting along, you know, we have this, it is really quite a love fest in which both sides are proclaiming that this is the best moment in United States-Chinese relations in our modern history. And so that kind of core structural debate has been taking place. But Taiwan could potentially re-raise that question, which is to say that: would we, in the face of a challenge like or greater than the 1996 missile firing, be constrained by the economic relationship?

I think the answer is no. I genuinely believe that. I think that the benefits of the economic integration in terms of giving ourselves each other's stake and stability is a good thing, but that at the end of the day, that the security issues are sufficiently straightforward that they would be judged in their own right.

I think the same is true in the United States-Taiwan context, which is to say that, yes, there are issues there but on the whole I think there is a real sense - I mean, it may be people will begin to forget, but I think the history of U.S. engagement in East Asia is still sufficiently present in people's minds that clarity about United States security interests still remains something that is very important in the sense that, you know, we got into trouble in the '50s because we lacked that clarity and that we need to have it.

And even during the whole debate about whether there was ambiguity in United States strategic policy in the region, I think we misunderstood the problem. We had reasons for wanting both China and Taiwan to be cautious about what they did, but I have never believed that ultimately there was deep ambiguity that in the event of a military action by China that was unprovoked, if the United States would not take a positive response.

So I see this as, on the whole, almost all are good in terms of the security implications of the economic engagement, with very little of the risk that I think some who have raised their flags would argue.

MR. THORNTON: I do not want to add too much to this, and I also hesitate a little bit because I wonder to myself, having spent so many years in the commercial world whether this kind of blinded me to other considerations, but given that caveat, my feeling is that the economic relationship between the United States and China is almost only a good thing.

Whether you look at it in micro terms - i.e. individual companies, individual relationships - or you look at it in macro terms, there is a very basic thing going on, which is that there starts to be communication, which starts to build relationships, which starts to build trust. If you get enough of those going deep enough into the society, and then you look at the context in which China is managing itself - that is to say, trying to take a country of 1.3 billion people from here to there over an extended period - if you think about the magnitude of the task that faces the leadership of China, in a way, at least for me, it sort of takes your breath away how well they have done it to date.

It is very hard for me to see how, if you are focused on managing that country and managing a stable country, that it is to me inescapable that you have to put economic progress right at the top of your list. And with this particular leadership, I think they are also going to emphasize increasingly a notion of balance, the balance between the coast and the west, the balance between the rich and the poor, the balance between the provinces and the center, and try to create a model of a society which is different than western society, but the implication will be, "We will deliver a better life for you, for which there will be some amount of personal freedom that you will give up," and that model will become an attractive model to a lot of countries in the world.

Against that background, I do not myself see why it is in China's interest to cause problems that - and I think Jim is right - can only lead to a sort of taking off track this major, major task they have got. So I do not see why they would do that.

Now, again, I will finish by where I started by saying that having said all that, I perfectly acknowledge that I could be looking out of one eye here, but that is my feeling about it.

Who is next?

MISS Mandy CHANG (from Taipei Times): Hello, this is Mandy Chang from the Taipei Times. China has, in some way or another, allowed the United States to play a heavier role in the East Asia region security. I wonder how far these relations will go. China has done so by having a new strategy to handle Taiwan's problems through Washington's hands. I wonder how far this Sino-U.S. cooperation pattern will go.

If the U.S. fails to meet the demands of China in our Taiwan affairs, is it possible China will completely withdraw from this kind of cooperation? Like this time, President Chen's high-profile reception by the United States during his New York trip. Is it a sign of the value of China's new strategy or is it a sign that because of China's relations with the United States have gone so well that China has felt safe to allow the United States to give Chen Shui-bian this high profile reception. Thank you.

MR. THORNTON: Thank you. I want to ask both Frank and Jim to take that point.

MR. CHING: Okay. I really do not think it is a case of China allowing the United States to do this; I think the United States did it pretty much without China's permission. And I think China is probably quite unhappy with the high profile reception of Chen Shui-bian in the United States, and Chen Shui-bian himself was describing how this trip was different from his previous trips. This is his third trip, and I think the first time he said that if Congressmen wanted to see him, they had to go through the hotel's kitchen to get to see him. Previously, he was not allowed to meet people outside the hotel, and this time he could receive an award, he gave a speech, which was covered by the media. He did all kinds of things that he was unable to do in the past.

So clearly, the United States has relaxed its restrictions on a visiting president from Taiwan. I do not think China contributed to this at all; I think China is really quite unhappy and is trying to figure out what it can do about this. I think that China does not see a way around this problem at this point. Its relationship with the United States is so important to China that it is willing to almost accept anything that the United States imposes.

But the bottom line of course is the Taiwan issue, and it is not clear to me what it is that China will say is its bottom line, like so far and no further, because I think the Chinese have already been retreating over the years. So I think the main answer to the question is that, no, China did not allow the United States to do this.

MR. PRITCHARD: Going along with that, I think that one of the things that has been a consistent feature of United States policy is that the United States resists being put in the middle by either side. Therefore, you know, to the extent that it is true, and I am not sure, I think it is true, but to the extent that it is thought to be true, that China is now trying to use the United States as a lever to constrain Taiwan. The United States is just going to resist that and be unwilling to play that role.

Similarly, to the extent that some in Taiwan would like the United States to play a role in trying to back China off, the United States is also going to resist that role, and we saw that in response to President Jiang's initiative, the call-off on missiles, where you just saw that there is really no appetite in the United States for trying to play that role, that has been consistently the feature of United States policy, is to try to get the two sides to engage with each other, and to the extent that there is any United States view about this, it is, "Let you and him talk."

I think that is why it may be tempting, because the Chinese found that their own kind of unilateral measures in 1996 and 2000 were so unproductive that it may, you know, be that they hope that the United States will play that role, but I just do not see it. I think the United States is constantly making its own calculations about what contributes to stability in the region and it is going to play it by its own lights, and that while each side may try to kind of gain the United States into thinking about adjusting its policy because of threats or incentives. That is not going to work.

That is why, for example, I do not worry the way some I know here worry that somehow because China is working with the United States and North Korea that that gives China leverage over the United States' Taiwan policy. It is just not plausible. The United States has got reason to work with China on North Korea, but China has got reason to work with the United States on North Korea, and were China to threaten somehow to say, "Well, if you give Chen Shui-bian another transit, we will not help you," one, that would not be plausible; and two, I think the United States would shrug their shoulders and say, "You know, we are not going to accept that kind of linkage."

MR. THORNTON: Okay, who is next?

MR. Hideki YAMAJI: Hideki Yamaji, from Brookings; a CNAPS Visiting Fellow. I would like to ask Mr. Ching a question about the nature of Chinese power. You said that China is mainly a status quo power. However, in my observation, Southeast Asia is already in the sphere of influence of China. For example, when we look at the South China Sea, China has agreed with ASEAN about the cooperation of the South China Sea, by which China has accomplished the Chinese expansive activities in the South China Sea.

Also, we are observing very deep-rooted military cooperation between China and the military junta in Burma and the Chinese now are deep in cooperation with the ASEAN countries, but that cooperation embodies values such as no interference into

other countries' politics or reducing the interference from outside powers. However, it does not contain the basic values such as liberty and democracy or rule of law, or freedom of navigation, which Japan and the United States value most.

It seems to me that, intentionally or unintentionally, China has been expanding its sphere of influence in Southeast Asia. One day, the whole of East Asia will be under the influence of China and I would like to just hear your comments about that view.

MR. CHING: Thank you. You know that in September, China became the first country outside of Southeast Asia to sign ASEAN's treaty of Amity and Cooperation. That treaty does not talk about democracy or anything like that. I think that China's values are quite consistent with ASEAN's values. And I think that in terms of expansionism, the way China sees it is that these are traditional claims that it has in the South China Sea, that it has not made any new claims, and I think this has been the case since 1949, the early '50s.

ASEAN's relations with China today are really very good. Now, I think if you look back to the '60s when China tested the first nuclear bomb and when they sent the first satellite into space during the Cultural Revolution, there was a great deal of concern in Southeast Asia about a threat from China, but this time after they had this manned space flight, there was no expression of concern from Southeast Asia at all. So I think that Southeast Asia does not, generally speaking, see China as a major threat. You disagree?

MR. YAMAJI: Southeast Asian countries are already under the influence of China, so that they cannot openly criticize or show concern towards China. That is my observation.

MR. CHING: I don't just mean the government, I mean the media; the newspapers in those countries did not voice alarm.

MR. THORNTON: Okay, next, at the back.

MR. Paul CASSINGHAM: My name is Paul Cassingham; I am an attorney from the United States, practicing here in Taipei. My question relates to the Bush Administration's notion of preventive war, I guess a two-part question. First: is there likely to be any articulation of principle parameters for that policy? And if there is not, what is the message that China may take away from that? Is there a possibility that this has opened a Pandora's Box and China could some day use the same theory to help justify military action against Taiwan in the preservation of national borders, et cetera?

MR. STEINBERG: To give the Administration its due, in the National Security Strategy, when they articulated this idea, they called it "pre-emption," but you are right in calling it "preventive war." They made it very clear that it only applied in their mind to two sorts of cases: one, the terrorists groups; and second, to rogue nations, and they have a definition in the strategy of what constitutes a rogue nation. It is a bit problematic. We found that problem in the Clinton Administration, which is why we gave up the term, but

they are very clear that they did not see this as a particularly appropriate or valuable tool in sort of traditional state-to-state relations, and they were also very clear that, you know, countries should not draw conclusions. I think they were thinking mostly about India and Pakistan more than China and Taiwan in terms of the application.

About a week after the strategy came out, National Security Adviser Rice gave a speech at the Manhattan College—in somewhat more detail—talking about how this should not be an early resort and how one should make sure that all the other options were not available *et cetera, et cetera, et cetera*.

So in some respects, the press coverage that they got over this was somewhat hyperbolic compared to what the more formal expression of the doctrine was. But even having said that, it does seem to me that there are precious few cases in which it is plausible to think that this is going to be a strategy that can be used.

Vis-à-vis terrorists, it is almost non-controversial. Nobody thought that traditional notions of deterrence or sanctions are particularly useful strategies against terrorists. I mean, they are out to kill you and you get them before they get you. It really does not fit in to the traditional international law debate about preventive war.

Vis-à-vis rogue states, again I think that the challenge now if you work out the potential candidates, there is very little appetite in this Administration for preventive action against North Korea, mostly because at this stage it is hard to know whether it will be successful or not. If it was a targeted preventive action to try to take out the nuclear facilities and if it were a broader preventive war—that is, a regime change element of preventive war—you know, it's a big throw of the dice, both for the 37,000 American troops in South Korea and the millions of Koreans and others who would be involved.

The same is true of Iran. So you are kind of left with: would they use it against Syria and Libya and would it really be worth it? I mean, is there really that great a threat? Potentially. I mean, I think that in one set of circumstances if you thought that the Syrians had, as John Bolton does, a significant biological weapons capability and that they were going to give it to somebody bad, I think you could imagine the Administration considering some kind of pre-emptive action in those circumstances.

But I think it was unfortunate that this idea got elevated to a doctrine. I mean, it has always been the case that any government will take what measures it feels ultimately are necessary for its self-defense. It is part of Article 51 of the Charter. And at the end of the day, these are very contextually specific. It is very hard to say, “Well, the threat is sufficiently imminent,” or “it is sufficiently remote that you are not entitled to do it,” but by creating this idea of a doctrine, I think it has created a certain amount of anxiety and it has been hard for the Administration to try to assuage that by saying, “We really only had a much more limited concept.”

MR. THORNTON: Okay. Now, the second row here.

DR. LIN: Thank you. Joyce Lin, Associate Professor at Tamkang University, and also a CNAPS fellow from Taiwan last year. I have a question for Jim Steinberg. You mentioned some Islamic countries like Pakistan and Afghanistan and you say the United States needs some long term strategies. Last month, the former Malaysian Prime Minister, Dr. Mahathir Mohamad, said at an Islamic conference that the Jews govern the world through the hands of the U.S. and the European countries. President George W. Bush then had a private talk with PM Mahathir, and a White House spokesman speaking to the media in Washington DC said that Bush had scolded Mahathir. And also PM Mahathir might definitely have said under his breath, "Bush is the largest liar in the world." So meanwhile, Bush has said at the APEC meeting Australia will be America's police in East Asia to fight against the terrorists in East Asia. Do you think the United States also needs to remain cautious so as not to hurt East Asian and Southeast Asian Muslims? And that even President Bush needs to actually ask for cooperation in East Asian countries to protect the security in this region? Thank you.

MR. STEINBERG: I have no quarrel with what President Bush said in response to Prime Minister Mahathir's statement. It was unfortunate because if you read the whole statement that Mahathir gave, there was actually a lot of good stuff in it about how everybody should deal with terrorism and that it was anti-Islamic to be a terrorist, but his statement about Jews was unacceptable, and the President was speaking what I think every American and most people around the world would say, which is that those statements cannot go unchallenged. And that is not an affront to Islam; it is a defense of tolerance and the kind of world that we all want to live in.

On the question of the sheriff's role, I think it just reflected - not fully understanding the dynamics in the region, and it was not, I think, welcomed by America's best friend, which is the government in Australia. So I think that it is interesting -- I think the most interesting thing that the President said on that trip was when he told reporters that he was surprised at the reaction that a lot of countries in the region had to the United States questioning our good faith and our intentions there.

Putting aside the question of whether the President should be surprised or not, I think it is quite important that there be a greater dialogue between countries of the Islamic world and the United States policy community. I will give a little pitch that Jack will know about. We have a big project at Brookings called the United States and the Islamic World in which we are engaged in a variety of activities bringing together leaders and opinion makers like journalist and scholars from the United States and Islamic countries around the world to try to facilitate this better dialogue.

It is very important that these kinds of track two exercises go forward, but it is also important that the U.S. government does it. When the President gives speeches about democracy, as he did last week, and the future for the Middle East, I applaud him for wanting to share those values, but it is very important that it be done in a way that it does not sound like the United States is telling the rest of the world how to get to a place where we think it should be, but really trying to find ways that we can travel that path together.

MR. THORNTON: Okay, in the back there.

MR. LIU: Thank you, Mr. Chairman, my name is Steve Liu, professor of foreign affairs at Soochow University. I have two related questions for Ambassador Pritchard. The first one is about North Korea. People talk about a red line. Where is the red line the United States has put in front of North Korea: possessing nuclear weapons or exporting nuclear materials? And how serious is the internal debate within the current Administration concerning the policy toward North Korea?

And the second question is: do you think any role was played by Russia during the six-party negotiations? I remember last October North Korea announced they were participating in the six-party negotiation. Through their delegation in Moscow, they made an announcement through Russia and the embassy in Russia and they said they will take part in the negotiation. I read in mainland China, in their newspaper, they spent a lot of pages. They said Russia could play an important role. But later we found that the role or the influence of Russia gradually diminished. Could you comment on the Russian role? Thank you.

MR. PRITCHARD: Thanks very much. The issue of red lines is a little complicated. I mean, it is, in very simplistic terms, as you go back to what former Secretary of Defense Dr. Perry has said publicly, that in the previous Administration there was an established red line and that was processing, the extraction of plutonium to make nuclear weapons, for which the United States was prepared to take military action, and for which Dr. Perry indicated we came very close to war on the Peninsula in the 1993/94 period.

One of the things that has developed now is that the President has articulated, through the Secretary of State and others, that the situation on North Korea is not a crisis, and if it is not going to be a crisis, you certainly are not going to be establishing red lines. The United States has not established any overt red lines.

I would submit, as your question indicates, that there is one, and that is the export or the transference of nuclear weapons or technology, but to be very specific, the President has indicated that another long range missile test, like that which occurred in August of 1998 over Japan, will not constitute a red line. He has even indicated that a nuclear test by North Korea would not be a red line.

Now, I think in practical terms if either of these situations occurred there would be a backlash that may create an after-the-event pink line of some sort. But without having to define that further, let me just say that I do believe that, although the Administration has not directly indicated to the North Koreans that there are any red lines, clearly there are. It falls immediately into the concerns that we had in the post-9/11 environment about terrorism and our concerns for our own security. I think the North Koreans understand that.

One of the things that has occurred in the evolution of the April to August talks was in April, (UN Deputy) Ambassador Li Gun had indicated to Jim Kelly that not only did the North Koreans have nuclear weapons but what they did with that material would depend upon U.S. attitudes and actions, implying the possibility of transferring nuclear material.

In the run up to the last talks and shortly thereafter, the North Koreans have now publicly and very explicitly said they have no intention of transferring nuclear weapons. So I think that is where we stand on red lines.

The debate within the Administration really is a fundamental one in terms of how people see North Korea, and that is one in which from philosophical, moral point of views, there are a number of people within the Administration who believe that North Korea should not exist, that there needs to be some regime change.

There is a more practical and moderate approach that appears to be winning the day, and I hope that is the case. We have seen with the latest developments towards multilateral discussions towards entertaining some of the items of discussion that North Koreans would like to talk about, but I go back to say that the proof is in the pudding, and that is, if at the next round of talks the position of the United States is not a practical one, in which some degree of success can come out of that, I think that you can make a judgment that the hard line of view within the Administration really has prevailed yet again. Again, I hope that is not the case. I think there is positive movement.

The last portion of your question was on Russia. I am not a Russian expert, but my view has been that the Russians have not been as positive a force in the development of these six party talks as they could have been. They certainly have wanted to be a participant. They have a growing relationship with North Korea, but I think it is probably overstated. The Russians' initial reaction to the revelation last October of the HEU program was one of disbelief. They very publicly said that not only do the North Koreans not have nuclear weapons, they probably do not have the wherewithal to make them.

Now, they have come around a bit. One of the things that has been a positive development has been a negative during the six-party talks in which the Russians - Lushkov, as the head of delegation, as he participated there and he ran into a North Korean buzz saw there, his reaction was one of which, "You know, these guys really are crazy." So I think that negative experience will help the Russians come around to a more, in my view, positive and fulsome participation in the next round of talks.

MR. THORNTON: Okay, I want to permit one final question. Alexander, you have a question?

MR. LUKIN: I am Alexander Lukin from Moscow State Institute of International Relations and a former Brookings fellow. Unlike my Japanese friend, I was very much impressed by Mr. Ching's remarks today. Also, they need a little clarification I think,

because China has not settled all its border problems with other countries. With Russia, there are still three little islands which are disputed. There are some problems with Tajikistan also.

But my question is about the Shanghai Cooperation Organization. I think the Shanghai Cooperation Organization, which was mentioned, is a very good indication of a new more active Chinese regional role. I took part in several discussions in China about it, and I have a feeling that the Chinese are very proud about possibly leading such a regional organization, of which the United States or any western powers is not a member.

It also has a very distinct and different idea of fighting terrorism from the United States. You know, there will be a center in Tashkent, an anti-terrorist center of the Shanghai Cooperation Organization. The declaration of anti-terrorism of the Shanghai Cooperation Organization is actually called the Declaration on Fighting Terrorism, Separatism and Religious Extremism, which is rather broader than just terrorism. So my question is: is the United States going to be comfortable with this growing Chinese regional role, and is it going to tolerate it? Thank you.

MR. CHING: Is it directed at me?

MR. LUKIN: Well, to anybody who wishes to answer it.

MR. CHING: Okay. Well, I think that it was interesting after 9/11, you know, the United States went into central Asia and talked to all these countries that are members of the SCO and they were all very eager to be cooperative. I thought it just showed how important the U.S. was. The U.S. had not paid very much attention to this area in the past, and then when it needed to, immediately all the countries in the area responded and cooperated. I think that to some extent China and Russia are not very happy about the increasing American military presence in central Asia.

MR. STEINBERG: I actually have been surprised the degree to which the Chinese seemed to be relaxed about the possibility of greater informative - either the United States or even NATO - in terms of a cooperative relationship with this Shanghai Cooperation organization. So I think that it is probably true in its initial conception that it was seen as a counterweight, but I think that the dramatic kind of strategic reorientation post-9/11 has really changed that and I think that there is a sense in which it is in everybody's interest.

It is certainly in the interest, as Frank was suggesting, of the countries in the region to have the bridges going in both directions. It gives them strategic options so that they are not dependent on Russia, or not dependent on China, or not exclusively dependent on the United States. Given their positions in their rather fragile and sometimes unsavory character of their regimes, it is probably smart of them to do that.

MR. THORNTON: Okay, ladies and gentlemen, I am afraid we are at the end of the session. I take the speed of which the time has gone by as a measure of our success. We

are now breaking for lunch, and if you could join me in thanking our colleagues Jack and Jim and Frank, I appreciate it.

(Luncheon adjournment)