

THE BROOKINGS INSTITUTION
CENTER FOR NORTHEAST ASIAN POLICY
STUDIES

**U.S. POLICY IN ASIA: MEETING
OPPORTUNITIES AND CHALLENGES**

**REMARKS BY
DEPUTY SECRETARY OF STATE
JOHN D. NEGROPONTE**

*The Brookings Institution
Washington, DC
July 28, 2008*

PROCEEDINGS

JOHN NEGROPONTE: Thank you, Strobe, for that introduction and for inviting me here today. I'm delighted to be with you to discuss how U.S. policy is evolving to meet the opportunities and challenges posed by Asia's extraordinary rise.

To start with, as you all know, the United States has been a Pacific power for much of its history. Indeed, nearly two decades before Lewis and Clark even reached our country's Pacific Coast, an American merchant ship first docked in the port of Guangzhou. In 1833—175 years ago—we signed our first treaty of friendship with an Asian power, Thailand. And not too long after that, I arrived in Hong Kong for my first overseas assignment in the Foreign Service. You shouldn't laugh so much, Stape Roy, because you were there too as a consular officer.

In the course of my own career, and certainly in the course of American history, our presence as a Pacific power has taken many shapes. But in 1961, when I arrived in Hong Kong, and throughout that decade, when I was working on Vietnam policy, I could not have imagined the extraordinary transformation Asia would undergo in the coming decades. Today, Asia is thriving. It has avoided military conflict for nearly three decades, and relations among its major powers have never been better. Nearly all of Asia's economies are dynamic and market-based, and robust democratic systems are flourishing throughout the region. The 21 APEC economies, which include most of East and Southeast Asia, now account for 60 percent of global GDP and half of global trade. This makes Asia, as Secretary Gates recently said, the “center of gravity in a rapidly globalizing world.” And so, our status as a Pacific power has never been more important than it is today.

Those of us fortunate enough to witness Asia's transformation know that it was neither inevitable nor accidental. Hardworking Asians deserve primary credit for their region's accomplishment. But Asia prospered thanks also to a broader international economic and security order sustained by American leadership. For 60 years, the U.S. presence in Asia has had a calming effect on relations among the region's major powers. Our military alliances with like-minded Asian partners have allowed many of the region's powers to trade in their swords for ploughs and harvest the gains of global trade. Our alliances with Japan, Korea, Australia, the Philippines, and Thailand remain the foundation of peace and security in Asia.

Our traditional alliances now also support our efforts to tackle global challenges, and to advance our common values not only in Asia, but in places like Iraq and Afghanistan as well. Since 2001, this Administration has modernized our alliances with our key allies in Northeast Asia, Japan and South Korea, to reflect the realities of the 21st century. We have supported Japan's efforts to play a broader international role befitting its status as a great power. And we have updated our alliance with South

Korea to continue promoting regional security while also helping to meet global challenges. These examples are part of a larger story of improved U.S. relations with all of Northeast Asia's powers—an achievement that was once thought impossible.

In addition to fortifying historic alliances, this Administration has reached out to new friends in Southeast Asia. We have a growing partnership with Indonesia, the world's largest Muslim-majority nation, which has made a remarkable transition to democracy in recent years. To help cement Indonesia's success, the U.S. has pledged over \$200 million in 2008 to support civic, governance, and education institutions there.

Our relationship with Vietnam has also entered a new chapter, symbolized by President Bush's visit to Vietnam in 2006 and the recent visit by Vietnamese Prime Minister Nguyen Tan Dung to Washington in June. Our countries now enjoy significant and growing trade and economic ties; an emerging military-to-military relationship; successful cooperation on health and development issues; and growing cultural and educational links. Vietnam's remarkable growth over the last 15 years, which has lifted millions of its citizens from poverty, points to the transformative opportunities of the U.S.-led international economic order. Vietnam has followed a path to growth familiar to many of its successful neighbors: encouraging private enterprise, establishing legal institutions, and opening itself to global trade through membership in institutions like APEC and the WTO. And while we continue to urge Vietnam to strengthen its respect for human rights and religious freedom, we celebrate its people's rising prosperity.

Even against the background of Asia's extraordinary success, China's rise stands out as a particularly remarkable development, and this Administration has focused great attention on our relationship with a growing China. Our objective is to integrate China into East Asia and the global community as a responsible, constructive power. This Administration has made good progress toward that goal, but the task will be the work of a generation.

- We have established path-breaking bilateral mechanisms to expand cooperation and address concerns about the range of security, political, and economic issues facing our countries. The Strategic Economic Dialogue, led by Treasury Secretary Paulson, and my own Senior Dialogue are examples.
- China agreed to abide by the norms of the global trading system by acceding to the World Trade Organization. We have benefitted from its accession: since 2001, China has been our fastest growing major export market. At the same time, when Chinese policies have violated WTO rules, we have held China accountable by filing WTO cases.
- Lastly, we have encouraged China to provide responsible global leadership on critical issues such as ending North Korea's nuclear program and stopping the bloodshed in Darfur. China does not always meet our expectations, but by setting high standards and working together, we have challenged China to

assume its responsibilities to strengthen the international system, with some success.

These steps have laid the foundation for China, as an aspiring global power, to move beyond a narrow conception of its national interests to a broader understanding that reflects its growing stake in the international system. The trend is in the right direction.

Asia's rise, and especially China's, has also caused many to worry that U.S. influence in Asia would decline. These fears, I believe, are overblown. They ignore America's commitment to the Asia-Pacific region. They also underestimate our ability to pursue our relations with every major Asian power, including China, in positive-sum terms. Polling shows that America's standing in Asia remains strong. According to a recent survey by the Chicago Council on Global Affairs, pluralities or majorities in every one of East Asia's biggest powers—China, Indonesia, Japan, and South Korea—believe U.S. influence has increased over the past decade, and strong majorities throughout Asia regard U.S. influence as positive. Strong majorities also believe that our military presence enhances stability. Our “soft power” remains robust as well, with the United States ranking at or near the top of every category—economics, culture, human capital, diplomacy, and politics—the pollsters measured. These attitudes reflect, among other things, our close people-to-people ties. In the 2006-2007 academic year, for example, we hosted over 344,000 students from Asia at U.S. institutions of higher education. Indeed, the top five countries sending students to the U.S. all are in Asia.

On the other hand, the Chicago Council survey results revealed apprehension about the future of Asia's leadership. Large majorities in Japan and South Korea expressed discomfort with the prospect that China could become Asia's dominant power. These polls by no means paint the complete picture of attitudes towards China in Asia. For instance, majorities in every country view China's regional influence positively. The polls do reinforce the need for China to be open and transparent, particularly about its grand strategy and military buildup. They also suggest that the U.S. will continue to be a balancing factor in Asia for the foreseeable future.

It's important to highlight how far Asia's powers have come in strengthening their relations—and the role we've played in that process. As Asia's powers have increasingly interacted with one another through trade, travel, and other exchanges, new patterns of cooperation have emerged. Our effort to denuclearize the Korean Peninsula through the Six-Party Talks is a compelling example of cooperation among countries with historically tense, even hostile, relations. Although the process of denuclearization is far from complete, the Six Party Talks demonstrate the potential for regional cooperation to complement our existing bilateral alliances.

The question facing all Pacific powers, including us, is how best to preserve and build on the gains from recent decades. As I said earlier, we firmly believe that our bilateral security alliances are and will remain the foundation of peace and stability in

Asia. Those alliances are time-tested and reinforced by common interests and values. They have demonstrated their continued vitality by growing even stronger since the end of the Cold War. No one should doubt our unshakable commitment to our allies' security.

New regional organizations have the potential to complement our alliances and to help tackle region-wide issues, and the United States will remain open to their formation. We hope that, whatever regional architecture takes shape, it institutionalizes the conditions that have helped Asia attain its upward trajectory. Asia boomed within a framework of openness, U.S. involvement, and mutual security. Most Asian powers recognize this and support a form of open Asia-Pacific regionalism. The United States is a resident power in Asia, and we are a stakeholder in a regional order based on openness and cooperation.

We currently have three active initiatives related to regional integration that I want to mention: the U.S. - Korea Free Trade Agreement, the Free Trade Area of the Asia-Pacific, and the Northeast Asia Peace and Security Mechanism. To strengthen trans-Pacific openness and reaffirm our strategic relationship with an important ally, we are encouraging Congress to take up and pass our free trade agreement with South Korea. In the same spirit, President Bush has endorsed a Free Trade Area of the Asia-Pacific, which we will work toward with our partners in APEC. Finally, in the trans-Pacific security realm, we hope to establish principles that will lead to a peace and security mechanism for Northeast Asia, institutionalizing the security cooperation we are forging through the Six Party process.

As we talk of new regional initiatives, we must also ensure that growing Asian nations are integrated into the framework of *existing* international institutions. Today, China's booming economy is driving energy demand, yet China is not a member of the International Energy Agency. India is a responsible nuclear power, yet it is not fully integrated into the global nonproliferation regime. And for several years now, we have supported Japan's permanent membership on the UN Security Council, so that the world's second-largest economy can meet its broader responsibilities to uphold international peace and security. The world would be a better place with Asia's full participation in global institutions.

I want to conclude by stressing that America's commitment to strong relations with the rising powers of Asia is bipartisan, and that our interests in the region are enduring. The United States is a Pacific nation, and our prosperity and security are increasingly tied to Asia's. Working closely with old allies and with new friends, we will continue to lead in a region that is growing in peace, prosperity, and freedom.

* * * * *