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AN EMERGING EAST ASIA
AND THE NEXT AMERICAN ADMINISTRATION

**SESSION FIVE: U.S. FOREIGN POLICY UNDER THE NEXT
ADMINISTRATION**

A joint conference with the Center for International and Strategic Studies,
School of International Studies, Peking University

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Panel 1: Emerging structures of international relations in East Asia

Zhu Feng, chairman

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China increasingly active, America increasingly distracted

Ding Xinghao

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Forms of East Asian regionalism

Qin Yaqing

Executive Vice President, China Foreign Affairs University

Non-traditional security issues

Wonhyuk Lim

Fellow, Korea Development Institute; CNAPS Fellow 2005-2006

Security dilemmas in Asia

Richard Bush

Senior Fellow, Foreign Policy

Director, Center for Northeast Asian Policy Studies, The Brookings Institution

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John L. Thornton, chairman

Chair, Board of Trustees, The Brookings Institution

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Chang Ka Mun

Manager Director, Li & Fung Development (China), Ltd.; CNAPS Advisory Council

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Managing Director, Japan External Trade Organization, Hong Kong Office

Visiting Fellow, School of International Studies, Peking University

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Barry Bosworth

Senior Fellow, Economic Studies Program, The Brookings Institution

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Long Guoqiang

Senior Fellow and Deputy Director-General

Development Research Center, State Council of the People's Republic of China

CNAPS Visiting Fellow 1998-1999

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China's Peaceful Development and the Harmonious World

Li Zhaoxing

Former Minister of Foreign Affairs, China
Professor, Peking University

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Tom Mann

Senior Fellow, Governance Studies Program, The Brookings Institution

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Wang Jisi, chairman

Director, Center for International and Strategic Studies, Peking University

Directions of U.S. foreign policy after the Bush administration

Ivo Daalder (remarks read by Richard Bush)

Senior Fellow, Foreign Policy, The Brookings Institution

Defense and security challenges for the new administration

Michael Nacht

Aaron Wildavsky Dean and Professor of Public Policy
Goldman School of Public Policy, University of California - Berkeley

Focus on China and Asia

Frank Jannuzi

Senior Asia Advisor to the Majority Staff, U.S. Senate Committee on Foreign Relations

A Chinese view

Yuan Peng

Director and Senior Researcher, Institute of American Studies
China Institutes for Contemporary International Relations
CNAPS Fellow 2003-2004

Commentary

Anne-Marie Slaughter

Dean, Woodrow Wilson School of Public and International Affairs, Princeton University

WANG JISI: The next speaker should be Ivo Daalder, but he's absent for some other event, so he has given some remarks to Richard Bush.

RICHARD BUSH: Ivo very much wanted to attend, but had to stay in the United States for sudden personal reasons. He did send me his remarks and I will summarize part of it and read another part. The title of his remarks are, "American Foreign Policy in 2008 and Beyond." Let me make several points.

Point number one. One year before he leaves office, President Bush is a spent force, an exhausted force. The American public has given up on the president with barely a third of Americans approving of the job that President Bush is doing. A large majority of Americans long ago concluded that George W. Bush was a failed president.

Point number two. There are many reasons for this state of affairs, but none is greater than the war in Iraq. Like the rest of the world, most Americans now believe that the war was a mistake. They want it to end, and they want American troops to come home. President Bush on the other hand is unwilling or unable to see that his policy has failed.

Point number three. Meanwhile, President Bush has sent out Secretary of State Rice to try to rescue the legacy of his foreign policy. Her immediate focus is to negotiate a peace between Israel and the Palestinians, starting with the Annapolis Conference taking place this week. North Korea represents Secretary Rice's other attempt at rescuing Bush's legacy. It's a measure of the disaster of President Bush's foreign policy that in both the Middle East and North Korea the administration is claiming possible successes by returning to the situation that existed when it entered office seven years ago.

Point number four. A looming issue is the uncertainty over Iran. Many people wonder whether a military strike by the United States will occur. President Bush and Vice President Cheney have talked in a tough way. Ivo believes that although this possibility of a military strike cannot be excluded, he is not convinced that it will occur. President Bush faces real constraints on his ability to forge ahead. Senior military leaders oppose the idea of attacking a third Muslim country, especially one that can do great damage in Iraq, Afghanistan, and the Persian Gulf. Congress would be a far greater obstacle than it was in 2002, and the media should be more inclined to examine the public case for war than it was before the war in Iraq. None of this assures that there will be no war in Iran, but it does make Bush's decision far less certain than many now assume.

Final point. The real foreign policy battlefield in 2008 will be in the United States itself, where the race to replace President Bush has been underway for many months. Foreign policy has become the most divisive issue in the election. There are differences among both Democratic and Republican candidates, but the real difference is between the two parties. The two parties are presenting voters with a clear

choice between two very different and clearly competing world views. For Republicans, the terrorist attacks of September 2001 represent the organizing principle of their view of the world. 9/11 revealed that there was a new enemy of the United States, Islamic terrorism. Like the fight against fascism and communism before, the Republicans believe, this new confrontation is an ideological fight between opposing forces of democracy and despotism, which can only be won by the complete destruction of the enemy.

Once more, America is called upon to use its military might to defeat this new totalitarian foe. All of the major Republican candidates agree that America is a nation at war, and all of them are fully committed to fighting and winning the war against Islamic terrorism. That is what American national security policy must be about, they say. Everything else is secondary—no matter whether it is trade and financial stability, relations with allies in Asia or Europe, resolving conflicts in Africa or the Middle East, or addressing other global challenges.

For Democrats, on the other hand, the terrorists' attacks represent something very different. Not just that there were evil people determined to do Americans great harm, but that we now live in an interconnected world that makes it possible for these people to do so. From this perspective the defining feature of our world is that developments anywhere can have profound consequences everywhere. Terrorism is only one of many challenges Americans now confront at home as a result of the world having come to America. These other challenges are deadly diseases, massively destructive weapons, catalytic climate change, bad food, and poisoned toys. These are all things that Americans must worry about. All of this means that Americans must understand that their security, prosperity, and even their freedom now depend on the security, prosperity, and freedom of others. It isn't, in this view, about defending a deadly foe on our own. It is about building a better world together with other nations.

These are profoundly different perspectives of the world and America's role in it. They represent opposing paradigms of international politics. While Americans will determine which of these two visions will occupy the Oval Office come January 2009, the rest of the world will have to live with the consequences.

The triumph of the Republican worldview will represent an attempt to continue Bush's main policies with regard to terrorism, Iraq, and other issues. I—this is Ivo speaking—fear it will likely leave the world more distressful and alienated from America, and America more alone in such a world. Still, the triumph of Democrats will also create problems for the world. It will likely raise great expectations among Americans of the rest of the world, taking on much more of the responsibility of addressing the global challenges that confront us all.

Yes, America would now have to do more to combat climate change, reduce reliance on nuclear weapons, engage in active diplomacy and resolve conflicts, and reduce barriers to trade and investment, but so will the rest of the world where there are many who have used America's inaction in recent years as an excuse for not making

hard choices of their own.

The reality is that the global challenges confronting Americans also confront people in Asia, Africa, and the Americas. We are in this situation, all of us, together and we will have to forge together the structures and policies of cooperation that will make it possible to confront them successfully. Thank you.

Applause)

DR. WANG: Our next panelist is Professor Michael Nacht from UC-Berkeley.

MICHAEL NACHT: Thank you very much. My topic is on defense and security perspectives confronting a new administration. I'm really going to speak as though what happens between now and January 20, 2009 has happened. So I am only going to speak beyond that.

I do want to make one process point in case you are not all familiar with this. In November 2008 there will be a presidential election. Presumably someone will be elected—it didn't quite happen that way in 2000, but usually someone is elected. When that candidate is elected and becomes president-elect, the next morning they have a whole stack of briefing papers on every subject imaginable that they had been using in the campaign.

Those briefing papers become the basis for the transition teams that are then established to create the plans for the new administration and between November and January 20th in the transition period. There's a lot of to-ing and fro-ing about those papers and revisions of those papers—actually most of the papers don't matter. There's a gigantic struggle that takes place for jobs, and people use these papers as really a kind of camouflage to get the job that they want, often not getting what they want.

So now you have a new team begin to take shape. On January 20th, with a new president, only the initial Cabinet members are usually selected and it takes several months and it could be quite a number of months before the sub-Cabinet officials are appointed. So the point I'm trying to make here is that a new administration has, what I call, a going-in set of policies that may be predicated on what the campaign was about, although these rapidly change for several reasons.

First, the people who are actually selected for the cabinet jobs may or may not have been involved in the campaign, may or may not have agreed with the campaign statements, and therefore they may begin to offer their own views and compete with each other. So already there's a distortion of the going-in strategy almost from the first week of the administration, because there is not a uniform agreement on what the policies should be. And that's true on almost every issue.

Beyond that, occasionally you have Congress, even very early on, sort of

causing trouble for the new administration, having its own ideas. Finally, and most importantly, the world is not asleep. The world changes, things happen. Almost immediately adjustments to the going-in position take place because the world does things unexpectedly.

To give you one simple example, Condi Rice, who was clearly a key foreign policy advisor to Governor Bush in 2000, wrote an article in *Foreign Affairs* in January 2000 on what the foreign policy of the new administration should be and I think she actually reflected what the governor, now president, and what the key advisors felt, which was a return to great power politics in dealing with Russia and China, and not dealing with what she called tertiary issues like Bosnia and Haiti and things like that.

In that entire article, very well crafted, terrorism was never even mentioned. Not even cited. It didn't exist. It wasn't that it was a fourth priority—it wasn't in the article at all because frankly, terrorism was not viewed as a central issue of American foreign policy that the Bush administration was going to have to deal with. Eight months later it became almost the sole issue that they were dealing with.

Now, maybe that only happens once in a great while. Hopefully we won't have another catastrophe like this in 2009, but it just goes to show that you can't guarantee—based upon what the candidates have been saying, what the people have been writing, even what they are saying—that this will really reflect what the policies are going to be.

What can you do? Well, you can try to think a little bit in a detached form, I'd say, about what are the core issues that will happen, to be confronted with no matter who's in charge, and in a way to some degree no matter what happens.

Let me just quickly go through a few of these because I know time is short. Let me focus primarily on defense and security. This is a conference, according to this banner, on "Emerging Asia and the Next American Administration." Well, I don't mean to be impolite, but I would say, from a defense and security perspective, Asia and particularly East Asia are what I would call at the moment secondary and derivative issues in U.S. national security. Now this could change tomorrow afternoon or it could change in February of 2009, but right now they're secondary and derivative. What do I mean by that?

Secondary: they're important issues, but they're not quite at the top of the list. I'd say the top secondary issue from Asia on the security agenda is, of course, the North Korean nuclear program. There has been some progress, but no one really knows whether this progress will be translated into concrete closure of the North Korean program. If it doesn't close down the new administration will be dealing with this and there could be a new crisis, not only in U.S.-North Korean relations but there could even be difficulties with China, because the U.S. sees China as the main body of influence on North Korean policy.

A second—what I call derivative—secondary issue is Taiwan. It's very important, but it doesn't appear to be ripe for real confrontation; we could have been discussing it in 1995 and 1991 and 1985 and 1978, in 1973 and hopefully we will continue to discuss it for the next 2,000 years and nothing will happen. This would be wonderful. I hope that nothing happens, that prosperity reigns everywhere, and not a shot is fired by anyone against anybody else.

But, as we know, governments make mistakes. I served in a government. Mistakes are made everyday. I made several myself, and people misread the motivations of others. So Taiwan is always lingering as a potential flashpoint in U.S.-China relations, but I would say at the moment, and going into a new administration, it will be viewed as a secondary issue. We do not have to resolve the Taiwan issue tomorrow afternoon, and no new administration is going to come in with the attitude that we do.

East Asia is derivative and China is derivative because Chinese influence on a number of other issues outside the region are very important. You know the list: the Iraq War, Iran in particular, and the imposition of economic sanctions on Iran, the Israeli-Palestinian issue, dealing with Islamic fundamentalism, and global terrorism. The declining security situation in Afghanistan, the rise of Russian authoritarianism and Putin taking on a new role as Prime Minister. He could be the chess champion, but he'll still be running the place.

Oil: oil politics and oil economics. Very importantly, Pakistan and the sort of perfect storm that Pakistan represents as both an ally, quasi-adversary, a Democratic regime, an authoritarian regime, anti-Islamic fundamentalism, harbors fundamentalist terrorist, with nuclear weapons. It has everything. Pakistan checks every box of American national security.

These are all huge issues that are not centrally involving China and East Asia, but China has a role to play in almost every one of them. Frankly, it is seen in the U.S. that China, and Russia to varying degree, uses the U.N. Security Council and the threat of its own veto as a way to contain American influence. Whether this might modify in the future years, I don't know, but the inability of the U.S. to really move forward its own policies through the Security Council because of the known anticipated veto power of the Russians or the Chinese and sometimes of the French is an irritant in U.S.-China relations.

These are all issues on the agenda. There's a separate American defense issue, which is the straining of the American Army and the American Marine Corps because of multiple tours in Iraq, and because of the declining situation in Afghanistan. And the notion of opening up a third front with a strike in Iran which, even if it doesn't initially involve ground forces, could ultimately involve ground forces. This seems kind of far-fetched given the current state of the American military.

Finally, let me say a few words about the U.S. defense community's views of the China military situation. Without going into a lot of detail, I would say this. The

notion that China is on the brink of developing a sort of power projection force that's going to kind of emulate the Japanese in the 1930s, is only viewed by a few sort of very recalcitrant characters in the Pentagon, who I don't think have a lot of influence and won't have a lot of influence no matter who is president. What is of concern is what appears to be a kind of smart Chinese strategy of investing in high technology to counter American capabilities in the event there ultimately is a conflict with the U.S. over Taiwan. I will just cite two of them.

One is the emerging anti-satellite capability of the Chinese represented in their recent tests. The second is very, very sophisticated and extensive cyber warfare capability against the United States. These are large issues and we could have multiple-day discussions on each of them, but it shows a Chinese military strategy of asymmetric warfare in anticipation of a possible conflict with the United States.

There are a number of other issues that could cause more frictions in U.S.-China relations that I don't see rising to the top of the heap of security issues. Most recently, it has been the continuing human rights issue. I don't know how many of you are aware of this, but there was quite a major, almost theatrical event in Washington. There was a hearing chaired by Congressman Lantos of California in which Jerry Yang, the president of Yahoo, was excoriated for permitting Yahoo to acquiesce to Chinese rules, regulations, and pressures, which led to the incarceration of a figure here in China. This is not a winner in improving U.S.-China relations. This is definitely a poisonous development in U.S.-China relations, whatever your views about it.

Kyoto, climate change: the inability of the Chinese to be any more willing to behave properly in energy terms than the Americans are—which is terrible. This is an issue and it probably will change under the new administration, because the new administration is going to shift from the Bush policies on climate change. I think almost any administration will do that. Then the U.S. and China will not be in sync on energy policy. You will have a view that we will be considered as not being helpful.

And third, as former Foreign Minister Li cited, trade issues and the currency issue. There are economic frictions here that are important, but they're not first-order security issues. The future of the new administration, I think, in terms of U.S.-China relations will be engagement, in every way it's been really since Nixon: economic, political, security, educational, technological. Hopefully we'll both be beneficiaries of all this. Again, this is just a snapshot about what will happen in the future based upon today, and we know that tomorrow there will be new developments, none of which I've cited, which could change everything I've said. Thank you very much.

(Applause)

DR. WANG: Thank you very much Professor Nacht. I think we can go directly to China-related issues with Frank Januzzi.

FRANK JANNUZI: Wang Laoshi, xie xie ni. We have all been listening

to presentation now for an hour and a half, and so I would ask you to join me in standing up and stretching so we can all refresh our brain. I am going to stand up and invite you to all stand up.

DR. NACHT: That's a great idea.

DR. BUSH: Hear, hear.

MR. JANUZZI: Okay. I feel better. This is what I learned teaching at Keio University last year, because I had to teach a three-hour seminar after lunch, so after one and a half hours we always had to take a little xiuxi period.

It is my great joy to be back in Beijing. The first time I was here was in 1984 as a foreign student. I visited Beida at that time and there has been big change and I am so excited to see what is happening in China. I'm especially delighted to be back to talk about the next U.S. administration.

For me as a Democrat to even say the words "the next U.S. administration" brings joy to my heart. I don't care if it's a Republican administration or a Democratic administration—still to say the words makes me happy. I hope that maybe this time I will get to vote for a winner, because usually I cast my vote only for the losing candidate. I hope that this time I will have an opportunity to cast my vote for a winning candidate. I very much enjoyed Mr. Mann's presentation, and I agree with his analysis of the electoral prospects for the Democratic Party in November.

I would add briefly two points. One is that the American people are not only unhappy with the situation in Iraq, but also with the corruption of this administration. I think that this administration will probably go down in history as the most corrupt U.S. presidency in history, both in terms of the number of people who were arrested and convicted of crimes, but also in terms of the sheer scale, the sheer volume of the corruption in terms of the dollars that have been stolen from the American people.

I think the American people probably will be sending a Democrat to the White House, but this will be a great challenge for any future president to the world that the next administration is going to have to manage. I should declare that my boss Senator Biden is one of the Democratic candidates, so I am a partisan today. I cannot give you an objective analysis like Mr. Mann. He can give you a more balanced, objective opinion.

I would say the one difference I have with Mr. Mann on his analysis is that I think there are some big differences among the Democratic candidates in terms of their policies. Not only on their domestic policies, where they are on healthcare, where they are on education policy, but also on their foreign policy. Some of the Democratic candidates are much more protectionist, tapping into the feeling of economic insecurity that many Americans feel; and some of the candidates, like Senator Biden, are more internationalist and see the world more as a place of opportunity rather than as a place of fear and danger. I think there are differences, but I agree with all of his basic analysis.

I have been asked to focus on China and Asia, on what will be the next administration's China and Asia policy. I grew up in Austin, Texas. I went to the same high school as the Bush family, but I chose the wrong party so I am, thankfully, not a part of this administration.

In Texas we have a lot of rivers and we like to go canoeing. The canoe is a very good boat as long as the water is not too rough. If the water is very rough, then you need a different kind of boat. You need a kayak. A kayak is a very maneuverable boat and it has a cover on the top so that the water does not come inside. The problem with the kayak is that it is very hard for a kayak to go in a straight line because it has no keel. It does not have any line on the bottom of the boat to help keep you in a straight line because it is designed to be maneuverable.

Well, on Asia policy I think the Bush administration has done a little bit of kayaking, all right. They came into office in 2001. China was the next great enemy and we had the EP3 surveillance plane incident which dramatized the Cold War-style conflict between China and the United States. And the president of the United States said that he would do whatever it takes to defend Taiwan.

The United States was obligated to defend Taiwan, but then about six months later he kayaked—he took a big change after 9/11 because after 9/11 there were only two kinds of nations in the world for the Bush administration. You were with us or you were against us, and China was with us.

So suddenly China was a friend, a strategic ally of the United States, an invaluable partner in the war on terrorism and in the denuclearization later of the Korean peninsula. There has been some kayaking by Bush, but I think where he ended up down the river is not a bad place. I think the Bush administration's China policy is not bad. I think, in fact, that its Asia policy is not bad.

I would cite the notable exception of its North Korea policy which again, in the first six years, was a complete disaster. But now, finally, they sort of stumbled upon an approach that is making some progress.

The good news is that I believe the next administration, whether it's a Republican or Democrat, is going to be in a canoe. No more kayaking. No more kayaking. Stay the course. I don't anticipate major changes from the next administration.

So what will be the agenda on Asia? The DPRK nuclear program. This is the most dangerous situation, and I will predict that next year the situation will not be solved. I think that is a safe prediction. It would be almost impossible to solve this problem in the next 12 months. The next president, whoever they are, will inherit a world where North Korea possess 8, 10, 12, 15 nuclear weapons, and the means to deliver them. It's a very dangerous world because North Korea is not a country that is a responsible

stakeholder.

The first job of the administration in Asia is going to be to complete the job that Bush has finally started, and it will probably take the entire first term of the next president to accomplish this objective. They will be lucky to do it in four years.

I also agree with Professor Nacht. He said that the Asia issues in general are going to be secondary or derivative issues. I agree. In the United States today the joke about our foreign policy is we have three or four foreign policy priorities. The first priority is the Iraq War. The second priority is the Iraq War. Our third priority is the Iraq War. Maybe the fourth priority is Iran. Or maybe the fifth priority is terrorism and the Middle East. Where is Asia on this agenda?

Immigration is probably a higher foreign policy priority for the next administration than Asia policy. So after the North Korea issue what is the next issue in Asia? I think the next administration will have a focus, I hope, on regional economic growth and this will be a shift away from terrorism.

The United States has lost 7,000 people due to terrorism and the Iraq War. Four thousand soldiers, roughly, and 3,000 dead on 9/11. It's a terrible toll over the last five years. Even so, last year in the United States there were over 12,000 murders, so the terrorism issue eventually is going to be put in perspective by an American president. We kill many thousand more American people every year than are killed by terrorists in the whole world.

So I would hope eventually as the memories of 9/11 fade and as a president takes office based not on fear but on hope—and that's not an endorsement of Obama—that we will be able to move beyond and that's why I think that regional economic growth and regional integration in Asia will be an important priority in the next administration.

I think good governance in Asia will be a priority. This is a little bit of a modification of President Bush's idea of extending democracy. I think good governance and democracy are not always identical, not always synonymous. There are democratic regimes that have very bad governance. Prime Minister Thaksin in Thailand comes to mind. There are authoritarian regimes that have relatively strong governance and responsive governance. Singapore comes to mind.

I think good, responsive, accountable, transparent, democratic governance will be a priority, and then I think the fourth level concerns in Asia are going to be counter-terrorism, non-traditional security threats, proliferation, pandemic flu, disaster relief and so on.

I'm going to talk briefly about China strategy specifically. I recently participated in a bi-partisan 16 month long study group on China policy. The remarkable thing about China policy, as has already been said, is that China policy not really a very

partisan issue today between Democrats and Republicans. It's an issue between centrist, internationalist, pro-engagement forces in both parties, and the extremes of both parties who are either extremely concerned about a possible national security threat that would be posed by an ascendant China, most of whom are in the Republican Party. Or on the other flank, Democrats who are extremely concerned about human rights in China, about environmental degradation that is occurring in China and what it might mean for the world and who are deeply dissatisfied with the Chinese government policies in these areas.

So you have on the wings of both the Democratic Party and the Republican Party some pretty harsh critics of China and of China policy. In the middle you have a bi-partisan consensus that basically is in support of engagement. The outcome of our 16 months of work was a variation on the theme of China as responsible stakeholder. It was a slight canoe paddle to the left, but not a kayak swing to the left. We moved to a policy of China as a responsible stakeholder. That's really an outcome. To talk about China as a responsible stakeholder, that is the objective. It's the outcome.

But the question is what should be the U.S. strategy? How do we paddle there? What course do we take down the river to get there? And so we are advocating a course of integration. Integration. And what does that mean? It has three parts. Engage. Engage China. Now this is traditional engagement. Bilateral, U.S.-China. We discuss our differences, we have strategic economic dialogue, we have military-to-military dialogue. We have human rights dialogue, environmental cooperation, and energy security cooperation. Traditional engagement is one part of a strategy of integration.

Second part is what we call weaving. China is very good at weaving. Everything we wear is made in China. Woven in China. Weaving—this is the weaving of China into the international system. This process has already been underway for more than 30 years, but it's not finished. China is not a member of the International Energy Agency. China is not a member of the G8, but probably should be a member of the G9.

The integration of China serves two purposes. One purpose is to help China become a responsible stakeholder. The second purpose, frankly, is to communicate norms, to transfer norms, standards, and procedures from the international community to China for China's consideration. And if you agree that these norms are good and you want to be woven into this international community, then it serves our mutual interest.

The third element of the strategy that I think the next administration will pursue, no matter whether it is Democrat or Republican, is balancing. Some people call this hedging. I don't like hedging. Hedging is something you do in the stock market to protect your bet. The problem with hedging in international affairs is when you hedge in international affairs everyone can see you hedge. Right?

If I go to the horse track and I bet a lot of money on the favorite and I bet a little bit of money on the long shot, the favorite horse does not get discouraged. He

doesn't know that I bet against him. He's just a horse. How does he know where I put my money? In contrast, when you hedge in international affairs, if we start betting against a successful U.S.-China relationship, China sees us hedge, so China hedges too. Before you know it, you might have a spiral of action and reaction which can be very negative. Let's be real. China's future is uncertain. I don't know what China's future is.

Twenty-three years ago, when I arrived in Beijing, I saw the billboard that talked about the future is coming, and it showed Chinese people driving in private cars on the streets of Beijing. I looked at this billboard and I said, "Crazy. Absolutely nuts, it could never happen." I didn't see the future coming. I rode my bicycle 45 minutes from the northwest to Tiananmen, and maybe I did not pass a single private car.

And now, look at this. We have six ring roads, and maybe they will build a seventh one before the Olympics, I don't know. The point is that I don't know China's future. China doesn't know China's future. We cannot be certain about China's future, so there will be balancing. It's a kind of risk management, but it's not the same as containment. Some people think balancing is containment. Balancing is not containment.

Containment is when you deny trade; we are investing. We are one of your biggest investors and we are your biggest market. All right. Not containment.

I've already used up all of my time, Mr. Chairman. So I will stop there and look forward to questions later. Thank you.

(Applause)

DR. WANG: Thank you Frank for having kept all of us alert, at least for the time being. According to our schedule we will have to go to Yuan Peng, but I think we have an excellent participant who is not listed here. She is here with us today and we are very happy to have Anne-Marie Slaughter. She is Dean of the Woodrow Wilson School of Public Affairs –

ANNE-MARIE SLAUGHTER: Public and International.

DR. WANG: Public and International Affairs at Princeton University. She is taking her sabbatical leave in Shanghai, and we are very happy that she could join us. She is scheduled to leave early, at 4:15. So without further ado, Dr. Slaughter. After her speech we will let the Chinese have the final say.

DR. SLAUGHTER: Thank you. I'd actually like to begin by recognizing something that Americans, at least, take for granted. The dollar may be losing its place as the world's reserve currency, but English remains the world reserve language, and I would like to acknowledge that we have spent much of the day listening to Chinese, Korean, and Japanese participants all speaking in English. I sat there this morning thinking this is impossible in the United States. You could not find, even among foreign

policy experts, enough people to staff panels like this to speak in Mandarin, Japanese, or Korean. So I would just like to acknowledge my gratitude and my recognition of the luxury that we English speakers have and the effort that all of you in the audience for whom English is not your native language and on the panel. It is an extraordinary accomplishment, and Americans have a long way to go. That is one reason why my children are sitting in Shanghai learning Mandarin.

I think the period of the next administration, following Frank's locution, is an extraordinary period of diplomatic opportunity for the United States. When Condi Rice moved from national security advisor to secretary of state in 2004, she announced that this was the year for diplomacy. She was essentially trying to signal a shift away from her reliance on force and toward an emphasis on diplomacy. And in some areas she has been successful. I agree with Frank about the overall direction of the administration's Asia policy and China policy.

One of the reasons is that these policies are being run out of the State Department under Condi Rice and that she more or less has had a freer hand. In many other areas, as anyone watching U.S. politics can see, she has not had a free hand, so she's been trying to practice diplomacy, although she has had a number of major obstacles still in Washington.

I do not think the next administration will have that problem. I think there will be more unity on the value of diplomatic approaches, if only because we no longer have military options. We're going to be spending our time rebuilding our military rather than using it.

As I look around the world, I see tremendous opportunities particularly for the United States. Indeed, if you look at the polls, the popular sentiment is "America Go Home, we're very opposed to the United States." But if you talk to governments, what I hear and what I've heard very strongly in Asia over the last three months, is "America come back."

So let's start in Asia. We heard this morning from our very first presenter. It is very important that America be engaged in Northeast Asia. It is very important to have America engaged in part to create stability for Chinese-Japanese relations, for the Six-Party Talks. Obviously in Korea as a whole, having the United States as part of the region enables the other powers in the region to do lots of things.

In Southeast Asia, when I went to Singapore in October, there was a universal refrain from all of the members of ASEAN that I talked to, which was "America come back. We want you engaged in this region. We do not want you to ask us to choose between you and China. We will not accept that choice. That's not your role, but we do want you engaged in the region again, so that there is stability on the great power level, and so ASEAN can play the role ASEAN wants."

Even in Europe today we see a similar attitude at the leader level. Think

about European leaders today. It's Angela Merkel, Nicolas Sarkozy, and Gordon Brown; these are all new leaders. They are effectively saying to the United States, "Join us. Join us on climate change. Join us reforming international intuitions. Join us on working together in Africa and other places, so that we can put our two powers together."

In Africa, again, there is a lot happening. There are emerging African democracies. There are African countries that are starting to really grow economically. China has been very active in Africa. Many African countries are saying, "We also want the United States engaged here, on our terms. Not on the United States's terms or not on other countries terms, but we want the United States actively engaged. We also want China engaged. We want active diplomacy."

And finally, in the Middle East. The Middle East is our nightmare, but it is also the area in which we must be engaged, and an area that is desperate for creative diplomacy. As we sit here today, we will see what comes out of Annapolis, but even if Annapolis exceeds all our wildest expectations, it will only be the beginning of a diplomatic process. The United States in the honest broker role will play a critical role moving that region to some kind of stability and some kind of institutions. The Middle East is the least institutionalized region in the world.

There are very important opportunities for creative, sensitive, and skillful American diplomacy. Not America alone by any means, but America as the power that can convene others. A power that can bring others together. A power that can sometimes stand back and provide a stable platform for other diplomatic efforts. That kind of diplomacy, I think will take three forms. Again this is assuming a great deal, and I will come back to that.

There will be lots of bargaining, and again the United States will be engaged in bargaining, directly in some cases. In other cases it will be facilitating bargaining in other areas. Again, we heard a lot this morning about how the United States and China, if they were both engaged in Southeast Asia, would facilitate the process of Southeast Asian economic integration.

Second, there will be a lot of guaranteeing. Here think about the Middle East. We will not get to some kind of settlement in the Middle East without NATO guarantees, and specifically U.S. security guarantees, for a number of the major parties. Not just Israel, but some kinds of guarantees for the Palestinians, guarantees elsewhere in the region for small states who would otherwise feel threatened by large states.

And finally, institution building. Here it has been very striking for those of us who call ourselves liberal internationalists, which means we subscribe to the American foreign policy in the post-World War II era. We believe in building international institutions and building an international order where we can integrate other nations, to paraphrase Frank.

We look around the world and there is a power doing all of those things—

and it is China. The Chinese have been doing a great deal of institution building, certainly in the rest of Asia and beginning in other parts of the world as well. America will need to come back and bargain, guarantee, and help build institutions.

Indeed perhaps the way to summarize all of this, to paraphrase Winston Churchill on democracy, is to say that America is the worst possible global leader except for all the others. Find me a country better able to do all of these things in different regions. Now to be able to play that role, we've got a lot to do. Indeed, that's a ten year agenda not a four year agenda. The next administration, if it wants to engage in that kind of diplomacy, is going to have to restore America's moral and political legitimacy. That won't be done by rhetoric alone.

I'll just tick off the things that I think are quite essential. We will have to get out of Iraq in a way that leaves Iraq relatively stable; we can't just abandon the Iraqis to a blood bath. We'll have to close Guantanamo. We will have to return to an interrogation regime governed by the Geneva Conventions, not just for the U.S. military, but for all American interrogations. We'll have to soften our attitude toward the International Criminal Court. I'm not certain we'll join it right away, but we'll have to make clear that we are not opposed to it and we support its goals.

We will have to take a major leading role in climate change—not just talk. We'll have to actually be out there prepared to make commitments, and be prepared to make sacrifices. Finally, we're going to have to be serious about reforming international institutions from the UN to the IMF to the World Bank. What that's going to mean is essentially making room at the table of power.

Frank just said China should be in the G8—well, the G9. It's not just going to be a G9, it's going to have to be a G10, a G11, a G12. You are going to have to have India, Brazil, South Africa, and Muslim states. We are going to have to reform the institutions to reflect the power structure of the 21st century.

Some of those things can be done quite quickly. Others will take longer, but if America can do those things and make it clear that it is committed for the longer term to a period of active diplomacy, there are these great opportunities.

Finally, to do the things I said we had to do to restore our moral and political legitimacy, we will need a new foreign policy consensus at home. I think Frank just described it. There is that consensus. I can find countless members of the Republican Party who are moderates and who effectively agree with moderate members of the Democratic Party, but that consensus needs to be named. It needs to be supported. It needs to be led from the presidential level.

Second, we are going to have to change the way we think about national grand strategy. The number of problems the world faces and the number of regions in which we much engage, means we can no longer have a grand strategy that just has two or three priorities. We're going to have to find a way to work on multiple priorities. It's

not okay to say it's Iraq, Iraq, Iraq, and Asia's seventh. We can't afford to leave Asia to be sixth or seventh. We're going to have to do multiple things at one time, and we're going to have to do those multiple things with multiple actors.

If you listened carefully this morning what you heard was that we have energy cooperation. We have environmental cooperation. We have health dialogues, we have strategic dialogues. Those are all different actors. Some are in the treasuries, some are in the environmental ministries, some are in the health ministries, some are in the trade ministries. We and other countries are going to have to rethink the way we manage our foreign policy so that we have multiple actors working on multiple problems in multiple regions.

Finally, to really take advantage of the diplomatic opportunity that I see in so many regions in the world, both parties ought to be starting to talk about that possible common ground. It's true, as Tom Mann said, that the Democrats are angry, so these conversations should be behind closed doors, but we should also be starting those conversations with our friends around the world who will be indispensable partners in these efforts.

We ought to be doing that precisely through the kinds of conferences that we are having today, through the kinds of partnerships that the Brookings Institution is creating both here at Beida and with Tsinghua. Indeed through the kinds of efforts that Dean Wang Jisi has done so much to foster.

So with that I would say there's a world of tremendous opportunity for a United States administration that can do the things necessary to restore its moral and political legitimacy in the world, and can take advantage of its many friends and partners around the world. Thank you.

(Applause)

DR. WANG: Thank you Professor Slaughter for these very comprehensive views. I will make very short observations before I give the floor to Yuan Peng.

First, this afternoon we haven't heard many good things about the current administration and its foreign policy, but we are going to U.S. embassy tonight to hear probably some more observations, some kind of counterweight. That is what we see in the United States: different voices, but one interest.

Second, I forget the second.

(Laughter)

DEAN WANG: Second. Anne-Marie said she has heard so many things like "America come back." I don't know whether she is hearing the same thing in

Shanghai, but I don't hear the same thing in Beijing. My personal observation is America has not left. So that's why most of our students are learning English.

(Laughter)

DR. WANG: Yuan Peng.

YUAN PENG: Thank you Professor Wang for the invitation, and I think I'm less qualified to speak on this topic of the "Chinese view." I'm also very pleased to sit next to my former boss, Richard Bush. I served as a visiting fellow in Brookings's CNAPS program in 2003-2004.

Just now Frank mentioned that the Chinese future is a little bit uncertain, but for me, for a Chinese, I think the Chinese future is quite certain. For example we have the Hu Jintao doctrine. That is, a harmonious world outside and a harmonious society inside. We have a grand strategy that is peaceful development or peaceful rise. We have a series of policies like constructive cooperation policies toward big powers. We have a good neighbor policy with surrounding countries. We have a very good policy with developing countries. We have an active engagement policy with multilateral organizations.

So Chinese policy for me today is quite clear, but a little bit puzzling for me is that when reviewing American official policy I'm a little bit uncertain. For example today the Iraq difficulties remain, the Iranian issue is emerging, and the greater Middle East, and terrorists are still very active on the border of Afghanistan and Pakistan and in Iraq and elsewhere in the world. And Russia is rebuilding and China is rising. India is rising and North Korea, Pakistan.

So I'm thinking about what the next American president is thinking and will do. So today when we read *Foreign Affairs*, *Foreign Policy*, *Washington Quarterly*, *National Interest*, or other foreign policy reports about America, we find today that there is a very hot debate in the States talking about the future of America's policy. Later on when we look through the website of think-tanks like Brookings, CSIS, Council on Foreign Relations, Carnegie, and Princeton University we find lots of long term reviews and reports.

It seems that all serious scholars and strategists are thinking about the future. Even the candidates, the top three on both sides, have already published their articles in *Foreign Affairs*. Some brilliant scholars like John Mearsheimer published a very brief book. He is real lobbyist on U.S. foreign policy. He publicly criticized the Jewish lobbyists for kidnapping America's foreign policy.

I remember former vice president of Brookings and today president of the Council on Foreign Relations, Richard Haass, calling today's debate the fourth greatest debate in the American history, and Brzezinski said this debate will decide whether or not America can seize the so-called second chance. So for me, today's debate is not anti-Bush or for the next election, but for the future of long term American primacy and America's future.

Back to the topic, how will America rethink its East Asia policy. I think today Americans face some real challenges in this region. That is China rising, and India, and the regional economic integration is developing very fast at the cost of America's exclusion. And all the allies, like South Korea—my American friend told me that today South Korea looks more like a Chinese ally rather than an American ally. And, we're very happy to see a Chinese speaking new Australian prime minister. In Thailand, it seems as though the Thai people like the Chinese more than the Americans. So all of those traditional allies are showing signs of loosening their ties with America.

So if I were Hillary Clinton or Giuliani, what would I think about the future of East Asian policy? I have some suggestions for my...

(Laughter)

First of all, I think that Iraq, Iran, and promoting democracy will still be the slogan or the banner that should be held high, but under this there are some basic shifts in the last two or three years after the transition period. East Asia should be given more attention geopolitically, and its rising power should be more focused strategically, and given regionalism will be given more attention economically. Pakistan, North Korea, and Taiwan, rather than just Iraq, will be given more attention. This is the basic direction.

Under this I think we will have "four twos." Number one is a two hands policy with China. Some may use different words like stakeholder and hedging or integration and balancing, but the two hands policy would be the same.

Secondly, two supplements. The first supplement is to supplement the current security system. The current traditional security system is not that attractive, so it should have some new partners like India, Mongolia, and possibly Vietnam as the supplement factors. The second supplement is to add some functions to APEC which is nearly controlled by Americans. Add some new functions like security issues to the APEC framework. The third two is two engagements. One is an engagement with the Shanghai Cooperation Organization. Another engagement must be with the Ten Plus Six, maybe we should be Ten Plus Seven, or the SCO Six Plus Four Plus One. Maybe.

The final two are two constructions. One construction is the construction of the Northeast Asia security cooperation regime, which is still a vacuum of big power cooperation. Another is construction of the bigger East Asia order with China or with China and Japan, or some other big powers cooperation and with multiple organizations.

This is my basic observation from the debates, and according to my understanding of American strategic logic, this is my outline of the future. Thank you.

(Applause)

DR. WANG: Okay. Richard and I agreed that we will probably extend the discussion until 4:30 sharp. Because we have many, very knowledgeable speakers, and we covered a great deal of topics, especially the elections. If you still have doubts about who will be the next U.S. president, Professor Mann is here. If you have any other questions also this is the time for you to raise them. So the floor is open.

QUESTION: Thank you. My name is Vorontsov and I am from the Russian Academy of Science and am a former CNAPS fellow. First of all thank you very much for the insightful presentation. I have a question for Mr. Nacht. You listed some priorities in security concerns. You told us that East Asia is a secondary priority. Would you be so kind to enumerate what are the first, third, fourth? Thank you.

PROFESSOR NACHT: Perhaps I wasn't clear. Based upon the current situation, it's most likely the combination of Middle Eastern issues, Islamic fundamentalism, oil politics, and instability in Pakistan. This is the number one strategic priority for the United States: to get that whole range of issues in a more stable situation. Beyond that I actually don't think there is a second, third or fourth. I think there are a variety of issues that will be competing for American attention.

It's actually wonderful to hear Anne-Marie say it's a complicated world. We have to be able to essentially do multitasking. But even a large government like the United States, at the highest levels, is not very good at multitasking. We actually look at one or two things, and ignore a lot of other things even if they are more important.

So for example, if the elections in Russia next year produce further developments of policy that are viewed as antithetical to American interests, if tensions rise between Moscow and Washington then, no matter where you originally put it on the list, this will become a major priority. This is because it has profound effects on so many other issues about relations with countries in the former Soviet Union and Eastern Europe. Oil politics, Russia's assistance with Iran, and how Russia is a reemerging great power. There are pluses to that, but there are many potential minuses to that. It's hard to know, it will be very dependent on the conditions that develop in a number of other countries as to what is number two, three, or four.

I still believe that, to the extent that you can predict, East Asia and Asia more generally is an area of enormous increasing economic prosperity. That's not true in a lot of the Middle East. It's not true in Africa. It's true spottily in South Asia. So, of course, economic prosperity can bring new tensions, but it's actually opportunities for greater cooperation. I'm pretty optimistic that East Asian and Asian issues generally will not be at the worrisome point in American priorities compared to some other areas that we've discussed.

DR. WANG: James Tang.

QUESTION: Thank you Chairman. Although Professor Nacht reminded us things can change and that anything can happen, I think the panelists have more or less

projected this idea that East Asia and China will not be the highest priority for the United States, no matter which party wins the next elections.

I have two questions. The first one is, if that is the case what would be the implications for the United States's position in this region in general and for U.S.-China relations? The other question is do the panelists see that there are any potential issues and areas that if things are not handled and addressed properly then the secondary nature of some of those problems in this region will then grow and contain more primary problems for U.S. foreign policy? Thank you.

DR. WANG: Richard.

DR. BUSH: A couple of quick responses. I think that even if East Asia is not a strategic priority, that does not mean we should not be paying attention. I actually think that we have a lot of catching up to do, and that we would be hurting ourselves if we didn't treat Asia seriously, like it was a strategic priority. Even if it's not a strategic priority, we should pretend that it is. One key indicator here will be the travel of the president and the secretary of state. If the president and secretary of state don't come to Asia in the first year we're in big trouble.

Your second question, what's a small problem that could become a big problem. I think a growing sense of insecurity on the part of Japan. If Frank is right that the North Korea problem extends through the whole of the first administration, and I think he may be right, then Japan's sense of uncertainty, vulnerability, and so on will extend for a long time, and so it may have doubts about the United States as a solid ally. That means we have to do a lot of work.

DR. MANN: There is another strategic priority with respect to Asia, namely the president trying to contain potential harmful actions taken by Frank's great institution, the first branch of government, the Congress. We've had mention of issues bubbling up. Certainly product safety has become a huge issue around the Christmas season. There was reference made to the Lantos hearings; Yahoo and the nature of internet access and use is a big issue. We also mentioned how the trade imbalance is playing out, and the potential of resurrecting a really lousy piece of tariff legislation. Those sentiments will probably intensify, not diminish, between now and the time a new administration takes over. One of the challenges and priorities of a new administration is going to be to manage that.

DR. NACHT: Let me just raise one uncomfortable possibility and that is that if the kind of troubles that developed in Burma developed in China, if there were, again a resurfacing of what's perceived in the U.S. as human rights restrictions and crackdown by the government, this would be damaging to U.S.-China relations. I personally do not believe that threat to increased tensions in Sino-American relations comes from overt foreign policies of America or China.

I think it's going to come from American reactions to Chinese domestic

policies. If it turns out those policies are seen in the U.S. as benign, no problem. But there are some who believe that when you go from a country of bicycles to a country of automobiles, and you go to a country of multiplicity of centers of wealth and influence, that this can lead to a desire for political diversity. A desire for political diversity can lead to trouble, and if that trouble is not handled skillfully then that will cause tension in U.S.-China relations. How serious of a tension, I don't know. It's not going to lead to an imminent conflict, but it will damage U.S.-China relations.

MR. JANUZZI: Just very briefly. I would say there's no danger of the United States truly neglecting Asia. When you have Secretary Paulson leading half the United States cabinet to Beijing for talks with their Chinese counterparts, it's not fair to say that the Bush administration has neglected the U.S.-China relationship. But Richard's point is an excellent one, which is that showing up does matter. If you don't go to the APEC meetings, if you don't go to the ASEAN summit meetings—this symbolism is very important, and so I will I hope the next administration will take that to heart.

In terms of the wildcard, the sleeping issues that could through our lack of active management cause us trouble would be Taiwan. Clearly, this issue has the potential to roil relations.

Finally, I would just say on the Olympics, there's one thing I know for certain, I can promise you today. That at the Beijing Olympics there will be protests. It may be Tibet, it may be Falun Gong, it may be Taiwan. It may be all of the above, but I promise you a thousand percent it will happen. Absolutely it will happen. The only question is how the government will deal with it. That's the only question.

This will be happening at a very sensitive time in American politics. In the middle of our nominating conventions, when our candidates for president are going to be appearing for the first time on a national stage and talking about what is important to them. So how China deals with these inevitable protests is going to send a vital message to the American people about the kind of China that is emerging in East Asia and its desire to live in a harmonious world.

DR. WANG: So Frank you are not only keeping us alert, you are keeping us worried.

(Laughter)

DR. WANG: Final question will be given to Professor Chen from Taiwan.

QUESTION: Thank you. My question will go to Tom. Although it is too early to forecast who will be the next president, but long term scholar on presidential elections probably you can tell us, between the two parties who has—who will be the most hopeful within each party, and who has what I call the face of a president. That is what in Chinese I call the *zongtong xiang*. Thank you.

DR. MANN: The what? Did you get that? What was the last part?

MR. JANNUZI: Who has the face of a president?

DR. MANN: Oh, the face.

(Laughter)

DR. MANN: The face of the president of course is Mitt Romney who I told you came straight out of central casting. He looks like a president, but then we never have presidents that look like presidents.

(Laughter)

DR. MANN: In fact, I would venture to say that the next president will be Hillary Clinton or Barack Obama. I think the probability of that happening is quite high now. If you were to ask me to give probabilities of which party will win the presidency in 2008 I would say 65 percent Democrats.

Now obviously that leaves room for something happening to alter either the broad political environment, where right now the structural factors drive toward a prediction of a Democratic victory, or if somehow the Democratic nominee is undermined or diminished in sort of a more personal way through the campaign. But I would say right now the likelihood is Clinton or Obama, and between the two of them give Clinton higher odds, but you wouldn't make them great odds until we see actual voters and caucus participants begin to weigh in and we get a sense of whether a dynamic will develop in the first weeks of the campaign that could alter that.

DR. WANG: With that favorable tilt toward the Democrats, this concludes today's discussion, unless Richard you have something to say.

DR. BUSH: I would just like to say one thing in conclusion, and that is to express on behalf of the Brookings Institution our deep appreciation to Dean Wang and the Center for International and Strategic Studies for your outstanding assistance to us for putting on this event. I hope it has been useful to the audience here. The questions have been outstanding, but without the work of you and your staff it would have been impossible and we're really deeply grateful to you. I have small token of our appreciation. You won't get into any trouble for accepting this gift, but our gratitude goes much beyond this small token. Thank you.

(Applause)

DR. WANG: So my last comment is this: good Americans don't go away. Thank you very much.

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