

THE BROOKINGS INSTITUTION  
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# PERCEPTIONS OF U.S. POLICY IN NORTHEAST ASIA

*a discussion with*

CNAPS 2003-2004 VISITING FELLOWS

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## P R O C E E D I N G S

DR. BUSH: Ladies and gentlemen, why don't we go ahead and get started. Thank you all for coming this afternoon. My name is Richard Bush. I'm the director of the Center for Northeast Asian Policy Studies here at Brookings. It's my pleasure to welcome you here today.

This is one in a series of events that we're sponsoring as our distinguished and very talented group of visiting fellows gets close to the end of their time here at Brookings. We have spent a lot of time exploiting them to get them to educate us about their countries and the Northeast Asian region. Many of you have been to a number of the events that we've had. But now we're going to exploit them in a different way and ask them what they think of the United States, or what people in their countries and their regions think of the United States. We've always found this to be a very successful conversation, and we're pleased that all of you are here today to be part of the conversation.

We'll do this in a kind of talk show format. I'm not David Letterman or Jay Leno, but we'll sort of have a conversation up here and then fairly soon we'll open it up to questions.

So let me start by asking Hideki Yamaji, who is with us from the Ministry of Foreign Affairs in Japan: What do you think U.S. foreign policy should emphasize to ensure the long-term stability of the Asia Pacific region from a Japanese viewpoint?

MR. YAMAJI: I think there are two important points. The first one is that the United States should maintain the current strategy toward the Asia Pacific region that is composed of emphasizing the bilateral alliance relations with its allies in East Asia and maintaining the engagement policies for China. By maintaining this strategy, I think the United States will be able to contribute to the stability of the region, in the sense that that stability is realized by dissuasion and American supremacy or dominance. That is one point.

The second point I'd like to make is that, as they did before, the United States should encourage Japan to play a more proactive, constructive and larger role not only in the economic arena but also in the security area. I believe that the strong U.S.-Japan alliance is the foundation for the long-term stability of the region.

And the last thing I would like to add is that I hope that the United States will continue to take leadership roles for addressing a number of security challenges that this region will face, especially in North Korea and Taiwan.

DR. BUSH: The view you express, Hideki, I think is probably one that is shared by most of the foreign policy elite in Japan. That doesn't surprise me, since you're a part of the foreign policy elite. But I wonder if I could just follow up and ask you, how broadly do you think this view of the U.S. role is shared within the Japanese public?

MR. YAMAJI: I think that, by and large, the public has the image that the U.S. is the sole superpower in the world and that the national community needs U.S. leadership; that without it,

the international community cannot resolve a lot of difficult international security problems. At the same time, of course, the Japanese people believe that there is a limitation in U.S. national power. Without cooperation with the other countries and the international community, the United States alone cannot resolve the international security challenges. I believe that this view is shared by many Japanese people. And from that point of view, I think that Japan is going to support the leadership role of the United States.

DR. BUSH: Let me press you on one more thing, and that is what kind of role does Japan expect the United States to play for resolving the North Korean nuclear issue?

MR. YAMAJI: That's quite a difficult question. First of all, if North Korea harbors a good intention—for example, the primary purpose of developing nuclear weapons is just for deterrence and assuring their regime's survival—I think that current regular diplomacy through the six-party talks framework and eventually in the United Nations might work. In that regular diplomacy, I think, the United States of course will continue to play a very important role.

However, I think that if North Korea saw additional benefits for developing nuclear weapons, like offsetting its military inferiority to the ROK-U.S. combined forces, transporting its nuclear devices, dissuading the United States from intervening into the Korean issue, strengthening its domestic order by having nuclear weapons, and if the current regular diplomacy were to fail, we'd have to move to the higher stage of pressuring North Korea into dismantling nuclear weapons. I think Japan and South Korea have to adopt tougher sanction measures and the United States, in that context, is expected to provide enhanced deterrence through the U.S. forces.

And they also, among the three countries--Japan, South Korea, and the United States--have to negotiate some kind of exit agreement for Kim Jong Il to sign in a face-saving manner. And the three countries have to have defensive measures for protecting their own citizens if we adopt further measures against North Korea. That's how I read it right now.

DR. BUSH: Okay, thank you very much.

Sook-Jong Lee, from Sejong Institute. My last question to Hideki provides a good transition. What's your view, and what do you think the view of the ROK is, about U.S. policy toward North Korea, both within a short-term and long-term perspective?

DR. LEE: Soon it will be almost two years since North Korea's admittance of their nuclear programs, the second crisis. I think Roh Moo-hyun's policy kind of has been neglected in the years of the Bush Administration. And in many Koreans' view, there has been no substantive policy or unified policy. I think there are two reasons for that.

First of all, I think the high leadership in this government has been absorbed through Iraq issues. They are too busy and they're spending too much time and energy on the affairs in Iraq. Therefore I don't think that management through neglect is the North Korean policy, but there

has been less attention and they have wasted a lot of time while the North Koreans are heightening their nuclear capacity.

Secondly, I don't think there is a unified view and policy toward North Korea. I know that many people in the State Department are working hard, but I'm not sure whether they share the same view on North Korean nuclear issues with the bureaucracy in the Pentagon or even the White House, NSC and CIA. Therefore it seems to me, because they couldn't speak with one voice and they couldn't build up one unified policy, they couldn't engage in a more productive way.

DR. BUSH: It appears that South Korean opinion has changed about U.S. policy and actually, you know, there are a number in South Korea who see the United States as more of a destabilizing factor than North Korea. What's going on with this change of opinion?

DR. LEE: You know, if you remember, during the last year of the Clinton administration, Secretary Albright went to Pyongyang and met Kim Jong Il, and President Clinton almost made his visit to North Korea. So therefore, many South Korean people find there's a tougher Bush Administration policy on North Korea. It's kind of a radical shift. Some people interpret even this admission of North Korea about their enriched uranium program as an attempt to get more attention from the Bush Administration. Also, because we are very vulnerable to the conventional weaponry of North Korea, many Koreans don't see this nuclear buildup by North Korea as that dangerous to South Korea or they wouldn't treat it as an intention to invade South Korea. I think the majority see it as a kind of desperate gesture to get attention from the USA.

DR. BUSH: Let's switch now to the U.S.-ROK alliance. What's your assessment about American views of the alliance, its strategic value and its sort of long-term vision?

DR. LEE: I was curious about that question myself. As I was researching it, I got a conflicting view. I know some high officials in the USA are saying that South Korea is very important strategically to the USA, and they are very eager to keep the alliance going. But at the same time, I'm hearing another kind of assessment. They are saying, well, South Korea is a kind of corollary to their interests in Japan, and especially where there is domestic change and growing anti-American sentiment among the Korean younger generation. Some people say to remember the Philippines—we just can go, if you don't like us. They're kind of emotionally rigid. I don't think there's a product there and it's not a healthy way to manage the alliance.

DR. BUSH: At least I agree with you on that score.

Let's switch gears now and turn to Alexei Bogaturov, who comes from us from the Moscow State Institute of International Relations. I wonder if you could provide a Russian perspective on how East Asia and Central Asia, what you call East Central Asia, views the United States. What are the positive views, what are the negative views?

DR. BOGATUROV: First of all, what you called East Central Asia—and I do also—is in your notion, in your concept both in Russia and, seemingly, in the United States. It means that there is no division in terms of security between Central Asian affairs and East Asian affairs as traditionally defined. That means that we're actually shifting from a traditional agenda of security in East Asia, like Thailand and North Korea, to a broader security agenda, which somehow refers to security of smaller states of traditional Central Asia, with the view, first of all, that the United States became a Central Asian power, so to speak, after they gained two military bases in Central Asia. And my assessment of what is good and what is less good about American foreign policy in the region is actually from such a prism.

Let me start by saying that all images that the American foreign policy has in the eyes of Russian experts can be divided into positive and negative images. So of those, let me start from negative images. I think, of them, most important is that actually American foreign policy is, so to speak, negatively charged. I mean, it's strongly security-driven. First of all, America is clear in the region about what may be dangerous in military terms—things like the effect of China on Taiwan or North Korean nuclear program. It is understandable.

At the same time, that actually causes something like a sense of unequal treatment even on the sides of nations like Japan and South Korea--not to mention Russia. We all discuss between each other, saying, okay, they don't care about us at all, they take us for granted. What they care about is China only.

[Laughter.]

DR. BOGATUROV: In a way, it is understandable. On the other hand, it is probably not so wise.

A second image that I would define as negative is that the United States, sort of as a reproach more to analysts than to policymakers, the United States foreign policy seems lacking concrete country knowledge. Relatively much is being said and written and known about nations like China, Japan, or Russia, but if you take, for instance, a nation like North Korea, not so much is known in the United States, not so much attention was being paid to that country for many years, for decades. That was part of the reason why the Bush Administration policy toward North Korea was seemingly so awkward and counter-productive for the previous couple of years. That seems to be 100 percent applicable to smaller nations of Central East Asia, like Uzbekistan, Kurdistan, etc.

What is remarkable is that Americans will say much and spend lots of money in order to educate smaller nations as future American allies. To us, from Moscow, from Russia, it looked like Russia was almost completely displaced from the region.

What we see now, against the background of the campaign in Iraq, is that the EU military treaties this time are between Russia and local nations, not because Russia was in a position to press them. There was just no tooth to press them right now. Rather, that was a natural reaction of the regimes there. They were frightened by what was called regime change in Iraq. They

rushed back to Russia just to be somehow reassured against what some people in the Bush Administration call democratization of Central Asia.

Nothing bad about democracy.

[Laughter.]

DR. BOGATUROV: So let me now tell something good. And indeed, based on some assessments, in principle we think that the American military presence in the region is stabilizing. We almost in all respects think it's stabilizing in dealing with Japan. We're quite happy with the Japanese-American alliance. It's stabilizing especially with how Americans are trying to consolidate the regime in Pakistan. We are very anxious about what might happen if that regime is overthrown. It's rather stabilizing in dealing with some aspects of Korea, but in the Korean case in general much less so.

Another important thing that gives me a sense of reasonable optimism is that American foreign policy, as proven by recent developments, if not flexible, is adjustable. It is able to be changed in the course of the action. When they analyzed what happened to American policy toward North Korea, now it may be a success story; while, when I came here 10 months ago, it was just something dreadful and we felt we were on the eve of the war. It was stupid, unjustifiable. Many people at Brookings, they were sure that in there was no way the Bush Administration would be able to change. Finally they were able to change. So it is adjustable. This is how I call it.

And let me stop here. Okay?

DR. BUSH: Thank you very much. Let's turn to Taiwan and Erich Shih, who comes to us from TVBS, a cable news network in Taiwan.

Erich, what's your assessment of U.S. policy toward Taiwan, both the content and the process?

MR. SHIH: Well, I'd just like to follow up on Alexei's point of the Bush Administration's policy toward Iraq. I think, in a sense, that Taiwan or even the PRC should be glad that back in the early seventies, the United States devised this so-called "One-China policy" and it slowly evolved over the 30 years even though there have been many events that challenged this framework. But from the United States perspective, the State Department or even the White House, whenever there is something that tends to destabilize the region, they have something to go back to. They have something to adhere to, which is the One-China policy. Whereas in terms of the Bush Administration's Iraq policy, of course we know that it was being formed in a relatively short timeframe and with a lot of controversies. Even at this current stage, the policy is sort of evolving and there is still fighting among different elements both within the administration and outside the administration.

In that sense, I think Taiwan, the United States, and the PRC have something to be glad about, which is this very important idea and framework.

But of course, after the Bush Administration assumed power three years ago, this One-China policy has been undergoing intense review. I'll set aside the changing Mainland China and Taiwan, but in the United States, of course, we have elements within the Bush Administration that have different views about how the United States One-China policy should be. For example, we have the traditional Republican Internationalists, as they call them. They adopt a realist view and policy toward Taiwan and the PRC basically changed very little as compared to the Clinton administration or the administrations preceding it.

But there are elements in the Bush Administration, especially the DOD, that some people may say are neoconservatives. They see the People's Republic as a potential enemy, and they want to adopt a policy treating the PRC as such. Of course after 9/11 the situation changed dramatically and the Bush Administration realized that they have to deal with China. Still, is this just a shift of tactics or a shift of philosophy? The jury's still out.

DR. BUSH: Okay. Taiwan, of course, is a part of the Northeast Asian region and we shouldn't look at it just through the lens of U.S.-Taiwan-China relation. How do you think Taiwan fits in the larger region as it has evolved? Does it present opportunities or does it create dangers?

MR. SHIH: Well, I think it really depends on how you interpret the current administration in Taiwan, the Chen administration, whether it is an administration that is pro-status quo in nature or it is revolutionary in nature. And my personal point of view is that the Chen administration is revolutionary in terms of its vision for Taiwan's future. So therefore, the current security arrangement of the United States vis-a-vis East Asia actually offers a great opportunity for the Chen administration, because they want to work very closely with the United States in terms of military arrangements, inter-operability, and pushing toward a direction of a quasi-military alliance between Taipei and Washington. There are elements in the Bush Administration that are strongly pushing for this idea and strongly favor this idea.

So from this respect, my personal bias is that the current American security framework vis-a-vis the potential enemy, for example, North Korea or the People's Republic, offers the Chen administration a great opportunity. And my personal bias is also such that this perceived opportunity for Taiwan actually will turn out to be disastrous for all of us—for Taiwan, for Mainland China, for the United States, and for the region as a whole.

DR. BUSH: Okay. Let's go down to the end of the row, Yuan Peng, who comes to us from the China Institute of Contemporary International Relations. You're last but not least—certainly not least. Tell us your assessment of current American policy toward China and the current state of U.S.-PRC relations.

DR. YUAN: Let me turn to the second question first. Currently I think the China-U.S. relationship has two possibilities but only one option, as I point out in the chapter I contributed

to the Brookings 2003-2004 Northeast Asia Survey. I think today China-U.S. relations, even though we have shared a very improved relationship, there are still lots of problems that I prefer to use the "seven T's" to describe.

The first "T" is Taiwan. I do not want to speak much about that, because I have a joint presentation with Erich to talk about that next week.

The second "T" is the so-called Tibet. This "T" is related to religious human rights, security, and ethnic conflict between our two countries. Today, I think the Tibetan issue's importance in our bilateral relations is decreasing.

The third "T" is the trade deficit. On the one hand, China is blamed by the States for a large amount of trade deficit with the States. According to American statistics which were issued yesterday in the U.S.-China Economic and Security Review Commission report to Congress, it amounts to almost \$120 billion, but according to China, it may be much smaller. It's true that we have a large deficit, but both sides have different opinions as to the reasons that this deficit occurred.

From the American perspective, we have this large deficit first because of the undervaluation of Chinese currency; secondly, because of our governmental protective policy; and thirdly, because of the artificially low wages of our laborers, but from the Chinese perspective, it's due to structural reasons; because you are the most developed. The second reason is because the United States is reluctant to lift its high-tech sanctions toward China.

It's a big problem.

The fourth "T" is the technology transfer. On the one hand, China was accused by the American side of having a big transfer of WMD to Iran, Pakistan, and North Korea. On the other hand, the States were accused by the Chinese side of being reluctant to lift its sanctions on high-tech weapons and high-tech products to China. So the technology transfer is a big issue.

The next "T," Tiananmen, is related with human rights and the ideological conflict between our two countries. Today, even after 15 years have passed and even though we have very good cooperation on counter-terrorism, the U.S. is still reluctant to lift the Tiananmen sanctions and also is reluctant to let the European Union and other countries lift the sanctions against China.

The next "T," the TMD [Theater Missile Defense], is related to bilateral security concerns. On the one hand, the States were accused by China of making the main target of the TMD China rather than the so-called rogue states. We think that North Korea has no capability to fire missiles to the States, and the real target of the TMD is China. Another problem from China's side is that Taiwan is possibly to be covered by the TMD.

The final "T" is terrorism. Even though we have very good cooperation on counterterrorism, we have totally different definitions of terrorism. We have totally different



understandings of how to deal with terrorism. For example, according to George W. Bush, maybe the war in Iraq can be viewed as a war on terrorism, but from the Chinese perspective, maybe this goes beyond the so-called counterterrorism war.

These seven T's constitute the basic contents of the current China-U.S. relationship. One cannot change these structural problems overnight. Because of September 11th, I think the George W. Bush Administration has three changes which are related to its China policy.

The first change is a strategic change from preventing China from rising to the so-called counterterrorism. The second change is geopolitical strategic change from the Asian Pacific area back to the Middle East. The third change is foreign policy strategic changes from big power competition to the so-called big power cooperation.

So those three changes have produced some positive effects on American China policy, but still there were some negative views. First of all, the DOD is still very reluctant to change its original China policy. Secondly, the Congress still has been very conservative and is home to two specific Commissions and two specific Taiwan caucuses. Thirdly, there are conservative think tanks, such as the Heritage Foundation, AEI, and Project for the New American Century which still hold attitudes hostile toward China.

So all these negative messages combined with positive messages give us a very complicated picture of the China-U.S. relationship.

DR. BUSH: Okay, thank you very much. On the Tiananmen sanctions, I can't resist noting that I was involved in writing those sanctions fifteen years ago when I was still working in the Congress, and I thought at the time that it would only be a matter of months before the first Bush Administration waived them, but I'm forever surprised.

Yuan Peng, you mentioned the idea of a rising China. This is an idea that is the subject of great discussion within China itself, but also in the region and in the United States. And it is a fact that China's growing more powerful; it's inevitable. And the issue that all countries face is how to deal with that reality. In that context, what do you think of the broader U.S. role in Asia?

DR. YUAN: In my 10-month stay here in Brookings, from last September till now, I think the hottest topic related to China is the so-called peaceful rise of China. After the theory of the peaceful China rise was constituted, I think it was seen as becoming a hot topic.

My personal feeling is that, first of all, China is rising. So I do not want to repeat that successful story. Secondly, I should admit that China's rising is very slow; it takes time. Maybe, according to formal documents of the 16th National Congress of the CCP, our grand strategy is called "establish a well-off society in an all-around way." What's the meaning of "well-off?" That means the mid-level of the developed countries. That means that even 20 years in the future, China will be the mid-level of the developed countries. It's our very ambitious goal.

And finally, I should say that according to Premier Wen Jiabao's recent statement on the explanation of China's peaceful rise, I think the main purpose of the peaceful rise is that we will

basically not use military means to fulfill our goal, as opposed to the ways Germany, the former Soviet Union, and Japan once did. Basically we are using peaceful means to achieve our peaceful rise. In this context, I think the China-U.S. relationship will not inevitably lead to a conflict.

Because according to the classic international theorists, where power is rising, the status quo power will have to contain it and then conflict occurs. But today I think there is very strong evidence that upsets that classic international theory. First of all, I think it's true that China is rising, but the United States is not declining. According to a recent statistic, the American economy is recovering, so we will share at least 20 years of simultaneous development in the future.

Secondly, I think we are in a totally different era. This is the era of counterterrorism, information, globalization, and nuclear proliferation. It is a totally different era. In this era, I think inter-dependence is the highest rule to decide relationships between countries.

Thirdly, I think today we have lots of mechanisms in the two countries which can prevent China-U.S. relations from devolving into conflict. For example, we have hotlines. We have leadership summits. We have economic communications. We have counterterrorism cooperation, crisis management, and FBI cooperation with China. Basically, one or two problems cannot affect the balance of the relationship as a whole.

Finally, I think after 30 years of interaction between our two countries, we have learned from past experiences that we have to live with each other rather than conflict with each other.

DR. BUSH: Okay, thank you very much. Thanks to each of you. I think we have a rich array of issues that are out there for discussion. We now open it up to the audience. If you'd just identify yourself, I'll field the questions. Say who you are and who you'd like to address your question to.

QUESTION: Dave Fitzgerald, private consultant. This is for Dr. Lee. I was wondering if we could look at the U.S.-proposed troop withdrawal from South Korea. It's been around for at least the past 20 years that most of the U.S. deterrent in South Korea, particularly the armed force deployments, are really not necessary to deter the North, that the South has enough capabilities in that area. The troops have been kept at that particular strength largely for political reasons.

It seems now the problem in South Korea is a question of whether South Koreans can see a U.S. alliance and a reduced troop presence in South Korea as related to a South Korean commitment to regional stability rather than simply a U.S. traditional commitment to maintaining deterrence on the Peninsula. Do you see that type of change in South Korean political

understanding of their relationship with the United States and their relationship with China, Japan, and Taiwan in the Northeast Asia region? Is that really the heart of the problem for South Korean political leadership?

DR. LEE: Well, at the foreign policy expert level, we have been discussing how we can expand the direction of the U.S.-ROK alliance. And maybe this alliance can expand to kind of a regional security cooperation, like what the U.S.-Japan alliance has evolved into.

However, you know, that's apparent to the expert community level, not to ordinary Koreans. I think ordinary Koreans still tend to see the U.S.-ROK alliance in terms of a Korean Peninsula issue. Even for the Korean Peninsula issue, we reconciled and the cooperation between two Koreas has been expanded. However, there is no permanent structure and the two Koreas are still at the stage of the armistice.

Therefore, the Koreans don't feel that North Korea is that dangerous any longer. However, the alliance is very important for the stability and for the peace between two Koreas, so this kind of move, reducing one-third of USFK has been quite shocking news to Koreans, especially because the development seems to be very fast because the U.S. is planning to reduce the forces by one-third by the end of next year. So the government, even the South Korean government, wants to have more time.

So yes, we, the experts, are thinking about this new region and new role of the U.S.-ROK alliance as a regional army, but not ordinary Koreans.

QUESTION: Eric McVadon, a consultant. Mr. Yamaji, if I understood you correctly, you said that if North Korea's intention with respect to its nuclear weapons is simply to provide a deterrent, that that is maybe an acceptable outcome, or something of that sort. And I wonder if you are implying by that that the U.S. should back off from its insistence on CVID and understand that it may have to accept something less and that, for the region and for the world, that a North Korea that simply has, I think what you described as only the good intentions of just deterring an attack, that a nuclear force would be all right. Or did I misunderstand you?

MR. YAMAJI: Perhaps my English is not enough to make myself understood. What I said is that our goals, U.S. and Japanese and South Korean goals are clear. That is CVID. No doubt about that. What I said is that CVID will be achieved under the current regular diplomatic efforts if North Korea sees the limited benefits of possessing nuclear weapons. So next week's six-party talks may be a breakthrough, or next year's discussion at the U.N. may be a breakthrough. That's what I said first.

But if North Korea sees additional benefits, in addition to just obtaining a means of deterrence, in that case I think achieving CVID would be very difficult under the current regular diplomatic activities toward North Korea. If that is the case, I think we have to move to the more—or we have to consider more strong measures to pressure North Korea. We have to consider the right timing, the right combination of sanctions and deterrence, and an exit agreement for Kim Jong Il to sign in a face-saving manner.

QUESTION: If I could clarify, is your point that if North Korea's only reason for having nuclear weapons is because it's insecure, there are other ways to provide reassurance about its security so that it's willing to give up its nuclear weapons. But if it has another agenda—

MR. YAMAJI: That's right, yes. I see that there are two dominant views about the image of North Korea, in this town and perhaps in Japan and South Korea too. One is a very poor North Korea, which feels insecure, and harassed by the strong Bush Administration statement of "axis of evil." And the other one is a more vicious North Korea. It still harbors the intention to attack or "liberate" South Korea.

QUESTION: Joe Winder, Korea Economic Institute. I want make a follow-up on that last thought, for both you and Dr. Lee. With respect to Japan and South Korea, is there any reason to believe that North Korea has given up its pledge to unify the peninsula by force if necessary? There seems to be a view within the South Korean public that that's the case. But I'm wondering if there is anybody in Korea who challenges that position. And what's the view in Japan with regard to unification even if it means military force?

MR. YAMAJI: I think that even if North Korea were to have 50 or 100 nuclear weapons, unifying the Korean Peninsula by force may be difficult. However, perhaps 50 nuclear weapons or 100 nuclear weapons may be enough for obstructing the unification led by the Republic of Korea, or annihilate it, or threaten the survival of the Republic of Korea, if the North Korean leaders wish. In that sense, I think this current nuclear crisis and development of nuclear weapons by North Korea could be very, very dangerous.

DR. LEE: As Joe has pointed out, this year has been very, very divisive, and it's dividing Korean civil society and the Korean power elite as well. The older generation is very suspicious of North Korea's motives. They think they're still very much interested in not just a simple invasion; whatever tricks they have, they want to invade to unify on their terms rather than South Korean terms. Also, conservatives are very suspicious of North Korea's motives. Not just to build a nuclear program as a negotiation card; they have, essentially, an interest in having the nuclear weapons be politically important vis-a-vis South Korea even through the reunification process. Also, as a strong power in the region, they are very much interested in having [inaudible]. And so it's not the U.S.'s fault; it's North Korea's fault.

Of course, the progressives and younger generation think the other way. So therefore, the North Korea issue has been very divisive in South Korea.

DR. BUSH: Let me put you on the spot. Do you personally think that North Korea has given up its ambition of unifying the Peninsula, by force if necessary?

DR. LEE: I'm not particularly—

[Laughter.]

DR. LEE: My point is that whatever their leadership, whatever they are thinking is not important as long as South Korea is very strong as a liberal economy, and maintains democracy

and a free market system. So therefore the sheer factor of our position will lead up to reunification under South Korean terms, not North Korean. And that's unthinkable to many Koreans, even though they are not saying it openly because they're afraid of provoking North Koreans and therefore undermining a very fragile cooperation between two Koreans.

DR. BUSH: But if North Korea changes its goals, that creates maybe some other opportunities, some new opportunities for resolving the issues.

DR. LEE: I think they will seek the opportunity, so I think that we have to be constantly guarded of the vicious motives of North Korea.

QUESTION: This is Liu Jia-ying, from TECRO. Thank you, guys, very much for the excellent opening remarks by Dr. Bush, our former AIT director, and also the distinguished panelists here.

I have two questions for our guests here. The first one is, as we know, this morning a group of former high-ranking officials, including several of the military commanders, released their statement. Actually, it has been in the public since Sunday the 14<sup>th</sup>—criticizing the Bush Administration's foreign policy, their decision to act unilaterally, which possibly would damage the U.S. efforts in the past to build its tradition as a respected, and also the leading position in the world. I would like to know your perspective on that and what kind of effect it will have on the Bush Administration, including its effort to reelect, also its policy changes in East Asia.

My second question is, as we have known so far, most of Eastern Asia looks at the Taiwan and the North Korean issues as the two most serious security concerns in the Asia Pacific regions. Right now, speaking of the North Korean issue, we have the six-party talks for two rounds already and the third round is coming up for the next week. If you look at Taiwan and China's history, actually Taiwan and China had begun the cross-strait exchange a long time ago. So it should be much easier for the two sides to start such peaceful talks to resolve any kind of issues between the two sides. But actually, the evolution is not so good so far.

So what would you propose to have the two sides—or maybe to involve most of the East Asian countries to bring the two sides to the negotiating table to resolve the issue peacefully? Thank you all.

DR. BUSH: Thank you for your questions. Why don't we deal with the first question first. Does anybody want to comment on the release today? I frankly haven't read it, so it's hard for me to—

I think we're ignorant on the first question.

MR. YAMAJI: Actually, I don't know that newspaper report yet either, but my impression of criticism against America, unilateralism seems to be a little bit over-emphasized. But it is true that the Bush Administration tried to behave unilaterally in relation to the Iraqi issue last year and two years ago. However, the United States did not act unilaterally. Actually, 30-something countries followed U.S. actions, including Japan. It seems to me that the United States, even the

hardliners within the administration, now seems to be giving a second thought, that unilateralism may not be so practical, effective for resolving international security issues. So from that point of view, I think unilateralism is a little bit over-emphasized.

And you will see that in East Asia the United States has been adopting a multilateral approach before addressing the North Korean nuclear issue. So I think that now the current U.S. administration and Senator Kerry's proposal about his own version of foreign policy seems to be on the right track.

DR. BUSH: If I could make a comment on the statement by the generals and others, I think it will probably just reinforce views that already exist, rather than change them.

I'd like to turn to cross-strait relations and give Erich and/or Yuan Peng a chance to answer that question.

MR. SHIH: Basically, Mr. Liu, your question is, are there any possibilities or propositions that can bring both the PRC and Taiwan back to the negotiating table and seek a peaceful solution of the issues. My personal point of view is that we've gone way past that point. I think the last chance was the presidential election in March. And with the Chen administration winning the election and with the possibility that the Chen administration is going to be in power for the next four years, I really think that Taiwan has embarked in a direction toward independence. De jure independence, whatever you term it or however you explain or market it, but essentially it's going to be toward de jure independence.

Frankly speaking, I don't see any political force, with probably the exception of the year-end Legislative Yuan election. But within Taiwan, I don't see any political force that could counter this direction of Taiwanization and de-Sinification. On the other hand, I place no hope whatsoever on the Beijing authority to come forward and to propose an even more flexible position vis-a-vis the restart of the talks.

So my conclusion is that I place my hope on the United States. And not because the United States can propose any good ideas or formulas that could encourage both sides to come together, sit down and talk, but by the sheer pressure of the United States, military pressure, political pressure, and economic pressure exerted upon Taiwan and the PRC, to force them not to do something that many people might consider very stupid.

DR. BUSH: Thank you. Yuan Peng, do you have a comment?

DR. YUAN: Yes. First of all, I don't think it's a good idea to copy the North Korean crisis management model in the Taiwan situation, because there are some substantial differences. First

of all, North Korea is a sovereign country, and it's an outcome of World War II. It was divided formally by the big powers at that time. Taiwan, on the contrary, is not a sovereign country, according to the Chinese perspective, and it's an outcome of the Chinese civil war.

Secondly, the very simple Taiwan issues become more and more complex just because of the third party, that is the United States, being involved in these two-party issues. So we can imagine if more parties are involved in these games that will make the issue much harder and much more complex than today.

I think peaceful negotiation is possible, not through multilateral talks, but through, at most, maybe three parties. Just imagine that 1998, I think, is a good model. On the one hand, the United States issued the so-called Three No's and initiated lots of good ideas such as interim agreements and more constructive ideas. On the other hand, the Chinese side initiated a lot of good ideas to resume the dialogue, but because of the "special state-to-state relations" theory the normal process was stopped.

So today, it's a true lesson from the past experiences. I do think we still have some hopes. First of all, China today is more realistic in dealing with the Taiwan issue. Just a reminder of May 17th statement, we have proposed "seven goodwills" to the Taiwanese side only if Taiwan accepts "one China."

Secondly, I think the American side under the Bush Administration has become more and more realistic in the very period of counterterrorism period. And they have lots of lessons, too, from Clinton and former administrations.

Thirdly, I think, because of the real danger of war in the Taiwan Straits, I think it is time for the Taiwan leadership to face the reality and go back to the negotiations.

DR. BUSH: Anybody else have a comment?

You all are smart.

[Laughter.]

QUESTION: Rust Deming, National Defense University. My question concerns Asian regional cooperation and it's directed at all the panel members.

It seems to me that the new forums of the 10 plus three—the ASEAN plus Japan, ROK, and China—and ASEAN, Japan, Korea, China, and the Europeans—have become much more dynamic and there's now talk of summits between Japan, ROK, and China as well; while the forums in Asia involving the U.S. (APEC, ARF, ASEAN PMC) have become less dynamic. So it seems that the dialogue between the ASEANs in a group is taking on a momentum of its own, while the dialogue involving the U.S. on a regional basis is not moving forward.

Does this mean that the ASEANs and the Northeast Asians are moving toward a—trying to put together unified points of view on global issues and having a greater weight in global dialogue without the U.S. or to deal with the U.S. primarily on a bilateral basis? Of course, we have the six-party talks, which may or may not turn into something more concrete. But there does seem to be a growing trend toward ASEAN dialogue without the U.S. Is this something?

DR. BUSH: Comments? Sook-Jong?

DR. LEE: I think there has been a kind of progress in Asian regional cohesion, regional identity, and also regional institution building. I think I would like to divide Asia into two groups. One is ASEAN and the other is the Northeast Asian countries. ASEAN built up their own community earlier, but Northeast Asia, especially China, Japan, and Korea, they're all very nationalized states—haven't built up enough trust, even though the relationship between Korea and China has been developed tremendously since the early 1990s. Therefore, Northeast Asia just kind of added their countries to the ASEAN framework, as has been mentioned, ASEAN plus three, and that includes security issues. I guess in the future, the Northeast Asian countries will go for more political and security cooperation. Look at the six-party talks, for example. So I think it's moving up. I think there are several dimensions you have to examine if you want to see the East Asian regionalism, especially in the Northeast Asian side. There are, I think, three levels. One is a social and cultural level. And if you look at the cultural level, it's very, very dynamic. Since the late 1990s, many Chinese and Koreans and Japanese are visiting each other. And the popular culture has been very, very popular—the Korean soap operas are viewed by the Chinese, and Japanese songs are also used by Korean singers. Therefore there are a lot of exchanges. So there is a positive aspect, because cultural exchange is going to build up the mutual understanding better.

A second aspect is economic institutions. There has been, especially in 1997, 1998, the financial crisis of East Asia, you know, the Japanese had trouble creating an Asia monetary fund. And of course, it couldn't be realized because of U.S. opposition, because they are so much concerned with the IMF. But, you know, the countries in Asia built up the system, so they can lend foreign exchange at the time of the program. And also, there are many talks and institutions waiting for environmental cooperation. So the economic level is also moving up, and also we are talking about creating the free trade bloc, and the South Korean and Japanese governments are negotiating for the FTA, the Free Trade Treaty.

And the political level, surprisingly even for myself, and I saw the poll of this year that showed that many Koreans thought China's important country not only economically but also

as a partner for more political cooperation. They picked China first, then USA. So I think there is a kind of expectation that China is going to be very important politically.

However, my personal view is that you have to be very careful. Because one of the frequent questions addressed to me, that Americans want to find out, well, Is South Korea

leaning to China and away from the USA? I always say that you are too optimistic about the future of China. Also, South Korea is very close to China's economy. There may be the boomerang effect, creating a lot of trade conflicts and so forth. Still, Koreans are thinking that militarily and politically, the USA is very important—even if we have such a recent poll.

DR. BUSH: Alexei, do you have a comment on regional integration?



DR. BOGATUROV: I would like, actually, to say two interesting things. First is referring directly to what you were asking about, what kind of concerted vision, attitudes can they develop, I mean small nations, towards the United States? From what I know, there is a disguised and sometimes open competition between small nations for the attention of the United States. It's difficult not only for Southeast Asian nations, but for other nations such as Central Asian nations, too.

So it's pretty hard for them to work together sometimes when they see each other as someone who will just deprive you from your share of American attention, American assistance, American whatever. So it coexists. It coexists. In ASEAN, with its long historic and quite successful story of developing regionally, it's probably less so.

Another area which was strongly influenced by the historical experience of ASEAN is Central Asia, where the Shanghai Cooperation Organization is actually a key multilateral regional organization. Actually, it was influenced, it was inspired, in a way, by ASEAN. And the way they developed in Central Asia, their vision of regionalism is strongly influenced by this sense of competition between bilateral and multilateral levels. I would say local nations compete both for the attention of the United States and for the attention of Russia.

Probably China is the only big nation whose attention they do not compete for, just because they're still afraid of China. China still is not viewed as a source of support, assistance, whatever. And if they hope for assistance from outside the region, they would always compete. So I think it's interesting. It may be a case some time from now, but it's not the case so far.

DR. BUSH: Any other comments on the question? Let's have another one.

QUESTION: Thank you very much. Dmitry Ponamarev from the Embassy of Belarus. First of all, I would like to thank all the panel because it was and is for me really a treat to be present at this presentation and before, among other things because these honorable visiting fellows have been sweating and toiling for 10 months and now they are presenting me and the audience with their findings, with their results, so to say, free of charge. Thank you very much.

And I have three questions, if possible, to the whole panel. The first question is that, since the end of the Cold War, the central point of the American foreign policy, as far as I can grasp, is definitely moving towards the East. Now it is centered on the Middle East--and not only, by the way, due to Iraq. But do you foresee any possibility that this center of the United States foreign policy will be moving further on to the East? This is the first problem.

The second problem is the U.S. redeployment, actually withdrawing one-third of their troops from South Korea, doesn't it mean, among other things, some strange coincidence between the psychological feelings among the younger part of the Republic of Korea generation and--between these feelings and the specific calculations of American military; that is, North Korea now is not as big a military threat as it was maybe 10 years ago?

And the last question specifically to Mr. Shih, if possible, is about Taiwan. As far as I can grasp, at least for now, the Taiwan authorities are rejecting the one state/two systems option. But I think, still, that all the involved parties understand that the showdown is immediate; it will come, it shall come. And with this perception of the unavoidable showdown, what do you think, not as far as the Taiwanese authorities would choose, but maybe the Taiwanese public? Would they choose to propel some other formula to counterbalance the one state/two systems, or do you think that even with this perspective of a very unpredictable showdown, still the Taiwanese public will be pursuing the surrender policy—that these are the options, so to speak?

Thank you very much.

DR. BUSH: Any people want to respond to the first question? Alexei?

DR. BOGATUROV: My answer would be that that is not only the intention, but is already what is happening. Americans are moving decisively and rapidly deeper into Asia. The question is how to define it. As you tend to say, they're going to the East. From the perspective of Belarus, that would be to the East. From the perspective of California, that would be clearly to the west. And they're moving to mainland Asia and it's very serious. And I think that we even can admit that the family quarrel between the United States and Europe was not because Europe behaved unwell; Europe behaved unwell because she reacted to how decisively and unilaterally America rushed to Asia. That would be my answer. It's very serious. It's about the national interests of many countries, China and Russia first of all.

DR. LEE: I think the public in Korea and also in Japan tend to see a very important change in U.S. foreign policy. It's not just the end of the Cold War. I think they see more important factors in recent changes, 9/11. After 9/11, the U.S. was very much concerned with terrorism. Then, with the strategic values with the importance of terrorism and WMD issues, I think that they are moving—rather than moving, expanding from East Asia to west side, like India and Pakistan area, and also the Middle East. So we see this kind of impact of 9/11 in diluting the U.S. commitment to East Asia as a region.

Okay, second question about the U.S. troop reduction. One thing the Americans are saying to me is that, “you said you're not afraid of North Korea, so what's wrong with pulling out one-third of our troops there?” And my answer is that the talks between the two Koreas are still fragile. And we are just starting the economic exchanges. But there was no arms control reduction or confidence building at all.

Therefore, this very active engagement from the South toward the North is only possible with a strong defense capability between two allies, the U.S. and South Korea. The South Korean government is accordingly increasing the defense budget and is organizing labor and efforts as the USA is pulling out one-third of its troops from South Korea.

DR. YUAN: I still remember when in 1999 the Washington Post issued an article talking about the American strategic shift from the West to East. I think from that day on, American strategic focus from West to East is one of the hottest topics in Asian countries. I think it's understandable, the American strategic shift.

First of all, I think after the Kosovo War, the post-Cold War era in the European Union ended. So it's very natural for the Americans to refocus their post-Cold War strategy from the European Union to the East. That's why the post-Cold War concept was made by Colin Powell and some other senior officials. Because in East Asia, the post-Cold War era still has not yet ended, because of two hotspots—one is North Korea, the other is Taiwan, our own relic of the Cold War.

Secondly, three transition powers, China, Russia, and India, have nuclear weapons and have not yet found their final directions of developing themselves, according to American strategists. The question of competition or partnership is not yet decided by American strategists.

Finally, I think the economic integration of East Asia as a whole has been going very fast in the past several years. And the United States always called itself an Asian-Pacific power. So it's very natural for the Americans to decide the strategic focus from the West to the East after the Cold War, but September 11th suddenly interrupted this process. Maybe George W. Bush had to shift his geopolitical focus from the East, and go back to the Middle East. As for me, I think, according to the American strategy, the Middle East can be defined as the Greater East, in a sense. So in the big trend, I think the shift of the American strategic focus from the West to East is natural and inevitable.

DR. BUSH: Erich, do you want to answer the Taiwan question?

MR. SHIH: Yes. Basically, the question, the way I would frame it is that is there any way out for Taiwan, can we come to a conclusion as a people to figure out a better way for us?

Well, I think there's a very important issue of how you frame this issue, the future of Taiwan and the pursuit of sovereignty, the pursuit of independence, and the issue of perception. From many people's perspective, certainly including mine, I see the push for independence as a zero sum game between Taiwan and Mainland China and the United States. And all of us will become losers.

But I do not believe that's how the powers that be now frame this issue. I think for the powers that be and for former President Lee Teng-hui there is always a possibility that the success of democratization in Taiwan becomes such an important human experience and serves as a beacon throughout the world and certainly is very important to the Bush Administration, especially when the Bush Administration, in its quest to spread democracy, actually is facing very stiff resistance, to say the least.

So first of all, there is always a perception for the powers that be in Taiwan. They define this issue, they frame this issue not as a zero sum game. Which means there is always a possibility to maneuver Taiwan into such a position that pushing for independence is conceivable.

And secondly, the way the administration phrases this issue in Taiwan does not mean the people buy it. As far as I can tell, half of the people agree with it and the other half do not agree with it. And given the domestic political trajectory into the future, I would say two, four years down the road there will be more people who will sign up with the president's vision instead of the vision that the pushing for independence is going to bring Taiwan disaster. I think will fewer and fewer people will hold that view two, four years down the road.

And so my perception is such that even if, just like the administration in Taipei envisions, Taiwan can declare a form of de jure independence with the active support or the reluctant support of the United States. Even if Taiwan will be able to wage a short armed conflict with the People's Republic with the help of the United States, to me that's not the end of the struggle. To me, that's the beginning of a nightmare. The geography dictates that Taiwan will forever be the neighbor of Mainland China two hundred years down the road, 500 years down the road. The geopolitical reality dictates that for Taiwan perhaps it is the beginning of a nightmare for us—incessant, unstoppable, low-level military confrontation with the mainland. For the PRC it is basically another huge, historical-proportion humiliation, and it is going to be another chapter for them to reclaim Taiwan back to the mainland.

And for the United States, of course, it's going to be the beginning of long-lasting regional instability. Essentially, an independent Taiwan, from the perspective of the United States, is that—no disrespect, but you're essentially creating a second Israel in East Asia, which, from my perspective, by itself, Taiwan as an independent state is not viable. We have to be able to come up with a huge amount of resources--military, political, economic--just to make our state survivable. And for Taiwan, it's not a beginning of a normal state, it's a beginning of a perpetual

state of emergency. And I do not see the political backing within the United States as compared to the Jewish population in the United States that can come up with such a vocal, sustainable political support from the grassroots through the establishment and to the White House and the Congress.

So essentially, again, the point would be five years, 10 years, 15 years down the road, the future U.S. administration will be faced with a situation that this situation is clearly unsustainable from the United States perspective. It's going to be a constant drain of American resources--what we're going to do with it, how we're going to deal with it. And they are going to strike a deal with Taiwan or are they going to try to deal with the People's Republic? And as far as I can see,

striking a deal with the People's Republic is more possible. And consider what that would mean to the people of Taiwan.

DR. BUSH: Thank you. One last question.

QUESTION: [Off microphone, inaudible.]

For example, we exchange units and ships frequently and have joint exercises for search and rescue. Even [inaudible] Japan will [inaudible] to exercise the right of self-defense. It means we can stretch [inaudible].

My question is, can you imagine Japan and Korea utilizing combined units under the joint command for [inaudible]? I believe this is a possible consideration between Japan and Korea.

MR. YAMAJI: I think that kind of international cooperative activities, joint activities by Japan and the Republic of Korea would be a wonderful idea. I think that would help forge more trust between the two countries. It's quite positive from the perspective of the Japan Defense Agency. Thank you.

DR. LEE: I'm not sure of the meaning of your question, because Korea is participating in cooperation through the U.N. framework. You are talking about Korea-Japan cooperation. Of course, our militaries communicate with each other and are building up the trust. So military and political trust between the two countries have been improved greatly. And even the anti-Japan sentiment in Korean society has been, I think, very little since the late 1990's. So I think there is a good future for the two countries.

I have many Japanese friends who are asking if I think it's possible for South Korea and Japan to conclude a kind of bilateral security treaty. I think there have been quite a number of Japanese people visiting Seoul asking the same question. But I guess that 99 percent of answers are "No," because this quasi-alliance between U.S., Korea, and Japan is excellent. It's doing a great job. We don't need a bilateral security treaty between us and Japan. That will obviously provoke China. Therefore, for South Korea's relations with China and for regional stability, I think that the current quasi-alliance threefold cooperation between the U.S., South Korea, and Japan is the best option.

DR. BUSH: Thank you very much. Thank you for all the excellent questions from the audience. And thank you for the good responses.

I'd like to ask the audience to do three things. First of all, remember the program on June 22nd, 10 o'clock. Yuan Peng and Erich will talk about the Taiwan issue and its place in U.S.-China relations.

Second of all, I invite all of you to join us for a small reception in the next section of this auditorium. This in a way is Brookings formal farewell to our visiting fellows, and we would be pleased to have you join us.

Because this is, in a way, our formal farewell, the third thing I'd like to ask you to do is to give our visiting fellows a round of applause and thank them for the contribution they've made to Brookings and to the intellectual life in Washington, D.C. in the last ten months.

[Applause.]

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