# THE BROOKINGS INSTITUTION
CENTER FOR NORTHEAST ASIAN POLICY STUDIES

# U.S. Policy toward Japan and Korea in the Second Bush Administration

*A CNAPS Roundtable Luncheon with*

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P R O C E E D I N G S

DR. BUSH: If I could have your attention, why don't we go ahead and get started? Thank you again for coming. I think the good turnout reflects not the free food or the cold outside, but the subject we're going to discuss today and our speakers, Jack Pritchard, Sook-Jong Lee and Tomohiko Taniguchi.

What the second Bush administration is going to do vis-a-vis Japan and Korean peninsula is of course a question of great interest, with a potentially profound impact on peace and stability in East Asia, and so we are pleased to present this program today and to feature someone who I think can provide one of the best perspectives on what is likely to happen in those areas, Ambassador Charles Pritchard, who has been there, seen it from the inside, and whom we're very fortunate to have here at Brookings as a scholar.

I think I first met Jack when he was working on the National Security Council staff and I was the National Intelligence Officer for East Asia. I've always found him to be a very professional and dedicated public servant, and we could have no better person today, I think, to talk about the subject at hand, so I give you Jack Pritchard.

[Applause.]

AMB. PRITCHARD: Thanks very much, Richard. I appreciate that. Where are all the empty seats? Everybody's here. This is a little bit of a daunting task, getting back into what used to be my first love in Asia, and that was Japan. I first went to Japan in 1980, and over the years have spent nine years there, and that was my credential for being hired at the White House in the middle of 1996. I recall going through the interview process. And I've said this to a couple of you before, but it was my last interview with Sandy Berger at the time. We were discussing things and he said, "Well, what do you know about Korea?" And I had been thinking rapidly in my mind, well, you know, as a Japan person I've spent the last 15 or 16 years trying to avoid everything or anything to do with Korea.

[Laughter.]

AMB. PRITCHARD: And so I was honest with him, and I said, "Just tangentially I know a little bit about Korea. I've been there a couple of times, but as you know, my strength is in Japan." He said, "Okay, fine." Fortunate for me that Sandy Kristoff, the Senior Director for Asian Affairs was desperate enough that she had already made up her mind that I was going to be the next director for Asian Affairs. So when Berger consulted with Tony Lake and then asked Sandy Kristoff, "Well, don't you think Korea's going to be important? So what do you think about this guy? I kind of like him and we got along, but by his own admission, he doesn't know very much about Korea." And Kristoff then fired back a note and said, "Korea is not important."

[Laughter.]

AMB. PRITCHARD: And so they hired me. And for the next nine years I did nothing but Korea, which suggests today I'm trying to get back into my original roots, and as I say, daunting, that's part of it. The other part of that is, and you look out in the audience, many of you here are far more expert on each of these issues, both Korea and Japan. I remember, and I won't give the year away, but I was a lieutenant colonel in the Army and one of you here was the DCM, Bill Breer, in Tokyo. And so relationships have come and gone. Others in the room I have worked for, Ken Lieberthal, Stanley Roth over there, and many others of you I count as colleagues and friends.

So today let me start off with a little bit about my own perspective about both the U.S. policy and the relationship to both Japan and Korea, and I'll start with Japan. I do come at this having, as I said, spent nine years in Japan, and looking at developments both in relationships and in policy over the years, and the things that I have seen occur most recently in Japan with regard to their own vision of their future, their security, and foreign policy is, in my opinion, nothing short of phenomenal in terms of the rate of change that has taken place, and I'll give you one anecdotal piece as I come to one of my points a little bit later.

But let's start first with the relationship between the leaders, between President Bush and Prime Minister Koizumi. I'm not quite sure how that evolved. I think it has to do with the people around the President at the time he became President, and the first few months in office. I think Prime Minister Koizumi, by his recollection, has been in office 3 years and 9 months, so that puts Bush a couple of months senior to Koizumi in that relationship. But at the time, at the start of the Bush administration, you had some very powerful influences, and if nothing else, President Bush has been very impressionable early on during the transition period and the first couple of months or so in his first administration.
And I think this can be attributed to Deputy Secretary Armitage, and most specifically to Torkel Patterson, who succeeded me at the NSC as the Senior Director for Asian Affairs. They both, and I'm sure others involved, put a great deal of emphasis on the value in the relationship and the potential of what Koizumi represented. With that in mind--and I can remember very vividly when Torkel was pushing for the first encounter to happen at Camp David to be extraordinarily symbolic of what this new relationship would look like in contrast to the problems that had occurred, from a Japanese perspective in the relationship between President Clinton and his counterpart.

Now, to be fair, that's the wrong word, he didn't have a counterpart. He had seven counterparts over his term. And I can remember vividly one meeting in which the President--and I actually don't even remember who the Prime Minister was at the time--was in a meeting in the Oval Office, and he hands Sandy Berger a note, and he says, "Can you list all of my counterpart prime ministers?" And then he puts, "In order."

[Laughter.]

AMB. PRITCHARD: And Berger wrote back, and I think he got them all right, but got the order wrong, but that kind of showed the problems that were occurring. And by contrast, what the Clinton administration was dealing with, particularly towards the end of that, was the Asian financial crisis and a desire that Japan lead Asia out of that, and there was certainly a stream of attention and activity throughout the Clinton administration and particularly towards the end that focused on economic relationships and getting Japan back on track in such a way that I'm sure the Japanese did not appreciate that the United States had no limit to their advice on how they could do that. That's in sharp contrast to the relationship that we have now. So let's take a look at that. That's No. 1.

No. 2 is the environment. Koizumi, I think, to his credit, recognized one of the most significant problems that the Japanese have had in recent memory in trying to cooperate with the United States in a reserved mode. And I go back to the first Gulf War. I always believe that Prime Minister Kaifu missed a golden opportunity by not coming out immediately in support, rhetorical support. And if he had done that, in my opinion, he could have saved Japan $13 billion. He didn't, and as you all recall, through a couple of tin cup exercises led at the very senior level, the Japanese ended up contributing some $13 billion to the first Gulf War, and their description of that is a $100 tax one every single citizen of Japan, man, woman and child, for which they received no appropriate recognition and certainly no thanks.

And so to his credit, I think Prime Minister Koizumi recognized what occurred on 9/11, and he immediately became an empathetic partner to President Bush and was determined, at least rhetorically, to be a partner in the global war on terrorism that spread very rapidly in terms of support for the President's views on Iraq, contributing forces there, and it is a continuing theme in the relationship as it becomes the closest that the United States has with any of its partners with regard to North Korea. And I would say, in my opinion, that the Japanese and Koizumi have used that to their advantage in moving forward their own agenda on security, using North Korea as a pretext for concerns about China, developing over the years a slow relationship in terms of missile defense to one that is far more mature now.

So you have at the beginning of the first administration of President Bush a unique relationship with Japan that by strict comparison was not anything like President Clinton had with any of his Japanese counterparts.

So as we look to what's going to happen now, this first year--and I'm kind of limiting my views today to this first year in this second administration, and I'll get to why in just a little bit, but I think that's probably the safest thing to do. But you've got some personnel changes, and the question becomes so what's the relationship between Bush and Koizumi going to look like as Deputy Secretary Armitage departs? Torkel Patterson, as you know, left the NSC, went to be a

special advisor to Howard Baker in Tokyo, and ultimately, several months--I lose track of time--may have even been a year ago, has come back to the State Department working on South Asia. We don't know what his status is going to be, nor do I know what his influence will be with regard to Japan there. It's certainly limited as far as I can tell.

So who are the players that will continue to influence this administration. President Bush? And does he need anybody to influence him to maintain the relationship with Prime Minister Koizumi, who, as you all may know, will maintain his Prime Ministership through September of 2006, concurrent with his leadership of the LDP. The bottom line is he probably doesn't need anybody. But the reality is, Howard Baker is departing. Howard Baker has been an enormous influence in his ability to call back to the White House to influence and to be received, to have phone calls, have people pick up the phone and talk to him. He's being replaced, as you may now know, by Tom Schieffer, our current ambassador in Australia.

I have mixed views on that. The tradition that we have had in Tokyo has been one in which the ambassador has been head and shoulders above, probably our very best throughout the world, has been a senior statesman. We have had Mike Mansfield, for what, 12 years there? We have had Mondale, Vice President of the United States. We've had Tom Foley, Speaker of the House, and Howard Baker. These are names that in American politics are legends, and they have taken on that opportunity because of the importance of the relationship. Tom Schieffer doesn't fit that category. He has a special relationship on a personal basis with the President, and that will be useful. I don't know if it's necessary, but it will be useful, but I don't know if he will be able to step into the shoes that are being left behind by Howard Baker and the ghosts of former ambassadors in Tokyo. So that's an unknown.

The other strong advocate for Japan in this administration, currently there, and who may stay, but we don't know, is Mike Green, as a long-time friend, advocate of the relationship, and a strong voice within the administration for things Japanese. Mike, as you know, is the Senior Director for Asian Affairs. He is maturing in that job. I, for one, would hope that he would stay. But his name is being bandied about for other positions outside of that, some of which would take him outside of the realm of influencing things Japanese, and I'm not going to speculate on where he might go. That's simply because I don't know. But the point is he may very well leave, and then you will have an administration for which the strong personal advocates and the people with historic ties with Japan are no longer there.

So what does that do in the long term, the longer term, over the next 18 months or so, where the Bush-Koizumi relationship will continue? It's questionable, but it's one in which I would say that given the President, the way he makes decisions and builds loyalties, it's probably not so critical. You may recall in the press

conference yesterday Prime Minister Koizumi's name came up, as probably not the best comparison, but it was one in which he was comparing the future of Iraq to the past and present of Japan. You know, I'm hard pressed to figure this one out.

[Laughter.]

AMB. PRITCHARD: But nonetheless, he invoked Koizumi by name and Japan by relationship there. That comes to his mind, and it is strongly embedded in there. But it's also one that is probably going to have a test, maybe towards the end of this year on a couple of different things, and one of which is the continuation of the force presence in Iraq by Japanese troops. You know, the fact that the Japanese are there is remarkable. What they are doing objectively to contribute to the reconstruction and the winning of the objective and mission by Bush standards in Iraq is almost irrelevant, and I think perhaps the Japanese have come to understand that, that the public view on deployed troops in Japan is not terribly supportive of that, nor do they understand the rationale that's been given to them. But Koizumi has been able to continue that and to have that repeated. Whether or not he chooses to do that at the end of the year for an additional period of time, I'm not sure. He may not. The situation may dictate that the Japanese wrap up their mission, that he can no longer declare it to be a non-combat area, or for other reasons that he just brings the troops back. That will be a test of the relationship.

Other things that are going on. I noticed, having read a CSIS kind of bulletin on your website, Bill, and going back and taking a look at the Yomiuri Shimbun-Gallup poll, there are some pieces in there that suggest a level of concern, not panic, but concern in the Japanese public. 53 percent of the Japanese don't trust the United States, up from last year. 73 percent are dissatisfied over the U.S. handling of Iraq, goes to what I said earlier. 61 percent do not have a favorable view of President Bush after his election in November. Those are not strong numbers. There are other things in that poll that I chose not to use because they didn't benefit what I'm going to say.

[Laughter.]

AMB. PRITCHARD: But this is why I began by saying I wouldn't panic over it, but there is a level of concern there that suggests that the Japanese and Prime Minister Koizumi need to take a look at their own domestic audience before they continue down the road doing things simply to support a relationship between Koizumi and President Bush.

Some of the specific things to take a look at for Japan in this coming year are two areas, security and trade. It's a relatively comfortable and quiet relationship. You know, one of the things that is missing, as we alluded to earlier here, is the *boeki-masatsu* or the trade friction. It's gone. It's no longer there. It's not that we don't

care, but there's either a maturity in the relationship or a moving on that has put that behind us.

On the trade side the big issue is beef. There was a conference at the embassy one week ago in which Lambert was talking about the progress that has been made, the scientific and technical tackling of this, all of which is pointing to bringing back or lifting of, at least partially, the ban on U.S. exports of beef into Japan at a certain level. I don't even want to get into the technicality of what A40 means in a beef that's 20-months old and younger, that has a pedigree and a certificate and has been personally attested to by the nanny that fed it. But nonetheless, this is something that is going to get beyond us, and will help in the following year, perhaps, to reverse a point that Chris Nelson reported, that China has now become the No. 1 trade partner for Japan for the first time, over the United States. Now that is significant, and part of that is because of the ban on beef. Part of that will be fixed with this.

The other part that I want to talk about is the security element, and that is there are a couple of things going on, and I guess the term is the Defense Posture Review Initiative talks in which there have been agreements that they're going to be looking at some common strategic objectives. They're going to look at the roles and missions of the U.S. and the self-defense force, and most importantly in my mind, they're going to take a look at the reorganization of U.S. forces in Japan, and specifically on Okinawa.

One of the issues that has held that set of talks up has been the issue of the movement of 1st Corps or I Corps from Fort Lewis, Washington to Camp Zama, where I lived for four years. The area and the mayors around Camp Zama have said, "Not in our backyard. We not want an expanded force," even though you're probably talking about 500 people or so, the headquarters element of First Corps, I Corps coming there. But I have to go back in time for people who think that this is going to be something that we'll get over, that we'll be able to resolve this.

I remember as a captain in 1983 when I was at the U.S. Forces Japan, having just come out of a couple of years at the Foreign Service Institute in Yokohama, learning Japanese and thinking that I've got a certain level, not great, but a certain level of Japanese. And U.S. Forces Japan said, "Great, you're the guy." I said, "The guy for what?" They said, "You are going to give our little speech to JDA." "Fine, give me the script."

And I'm reading through this script, and the script was, you know, "For the last 10 years we had been trying to get field carrier landing practice. We want to use a runway on Honshu in the Kanto Plain area. So our carrier that's here to protect Japan, that's berthed at Yokosuka, when it comes in, that the aircraft can then practice. They've got to stay proficient. And for 10 years you have been dragging your feet and you have been saying, 'The local mayors are objecting. There's an election coming up. There's going to be a high school test.'"

And so I'm giving this in Japanese. I'm haranguing the Director General for JDA, to many Japanese generals and admirals, and a back bench of U.S. generals and admirals behind me, and you know, tons of little microphones because they opened this thing up to the press. And I'm a lowly captain, haranguing the Japanese that, "We have finally come to our wit's end, and we're not going to let you get away with this, and you must do this. You've been dragging your feet for 10 years." Now, I'm talking about something that happened 22 years ago. It still hasn't been resolved.

[Laughter.]

AMB. PRITCHARD: The only solution that Japan can provide is a temporary solution at Iwo Jima, in which the aircraft fly off the carrier when they come into Yokosuka, and they probably have to refuel in flight three times to get to Iwo Jima. And then they practice there--maybe only once--but it's unsatisfactory, but it is an unresolved issue that from an American perspective doesn't make any sense. This should be easy. So for those here who believe that the I Corps is something that we'll get over, well, come see me in 22 years and let's find out who might have been right.

So a couple issues on the Japan side. First of all, relationships. Does it matter? Will it change? Probably not. It's embedded in Bush. Secondly, the economic side is very healthy, certainly in comparison to the past. The issue at stake is beef for the United States. On the security side, lots of things going on. I'm not going to take the time to describe them because that's a Japan-centric thing, not the relationship between U.S. and Japan there.

So let me move on. Well, let me just mention one other thing that's coming up towards the end of the year, and I'll mention it again as I talk now and get into Korea, and that is the North Korea issue. The Japanese very much have at stake the abduction issue that has got to be solved. They have got a desire by Koizumi to move beyond this to a normalization of relations with North Korea that certainly does not fit into the mindset of this administration. If--and that's a big "if"--the Japanese get beyond the abduction issue and they get towards normalization, that will pit the U.S. and Japan against one another on how to accomplish that. I wouldn't hold my breath on that for this year though.

The other issue is at the end of the year, you may remember that the Korean Peninsula Energy Development Organization, KEDO, is going to have to make another decision. The Executive Board, comprised of the United States, Japan, South Korea, and the European Union, have kicked this can twice down the road in which they have suspended operations to build the LWR at Kumho. It is going to come due around the first of December for another decision. It is absolutely going to be the decision of the United States at this point in time to push for the termination of that project. There is a lot of money at stake in terms of not only

who's already paid the money, the Japanese and the Koreans, but who's going to foot the bill? There is a bill for termination. That's monetary.

There is a political implication of how can you terminate this project when we're still involved in a diplomacy effort with the North Koreans. That's going to be a big issue, so keep that in mind as the year wears on.

Turning to Korea and keeping in the same mode, let's talk about relationships again. And this one is a case study in opposites to what happened with Japan. The initial view of this administration taking a look at Kim Dae-jung was: we can wait this guy out. We don't want to deal with him. And by the way, our candidate, Lee Hoi Chang, is going to be the next President of South Korea. And so, you know, we can afford to wait him out because good news is around the corner when our conservative candidate gets in with more of a like-mindedness than Kim.

Now, as you all know, President Lee Hoi Chang--oh, I'm sorry, he's not. He wasn't elected. It was Roh Moo-hyun, and you know the circumstances in which it is perceived that he came into office on an anti-American sentiment, a growing anti-American sentiment, and taking advantage of that. This administration does not have a cordial relationship with the Roh Moo-hyun Government.

The South Koreans are doing their level best to try to keep this in a public level of civility, and their best envoy at doing this is in fact their foreign minister, Ban Ki-moon. He is well respected in the United States, and at every opportunity he's taking that sow's ear and in fact trying to sell you a silk purse.

The other person over the last five months is Ambassador Chris Hill. And I don't think I appreciated or realized how good of a job that he is doing in Seoul until I was there almost two weeks ago. And it was, you know, kind of like unsolicited testimony off the street and by anybody who came up and said, "Chris Hill's a wonderful ambassador. This guy gives out his business card and it has an e-mail address on there, and you can actually e-mail him, you know, and sometimes he'll answer anybody's e-mail off the street." He has done some things in a very short period of time that have improved the atmosphere and the relationship there. That's the good news.

The bad news is also good news. It's that Chris Hill is probably not going to be there very much longer. It has not been officially announced, but it is the worst kept secret, and it is one I feel very comfortable with, that Chris Hill will come back to replace Jim Kelley as the Assistant Secretary for Asia. Bad news because he's leaving Korea, bad news in the sense that as an Assistant Secretary he doesn't have good credentials, I wouldn't reach out and pick him to be the Assistant Secretary for Asia with the experience that he has had as an economics officer in Korea 20 years ago, and five months as the ambassador, and nothing else.

The good news is on a couple different points, and I want to emphasize this because it comes back to something I'm going to say in just a minute. Chris Hill has an opportunity and a desire to be a good negotiator. He has the experience level having worked in Kosovo, having worked with Milosevic, having, for lack of a better word, had had a up front and personal experience with a rogue nation-state.

Now, the problem that he's going to have is in the environment that he's going to work in, and that's what I want to talk about next. The new lineup for the U.S. administration matters and it matters with our relationship with Korea and what we do with North Korea. And by my reckoning, the Bush administration has shuffled the deck for the most part, and they've said goodbye to anybody you look at as a moderate, anybody who has offered alternative views and options, and they've said, "We don't want to try that. We would really like to implement what we want to do."

And so they put together an implementation team with Condi Rice as Secretary of State. And if you believe in this first year that Secretary Rice is going to say, "Well, my job as Secretary of State is to listen to the professional Foreign Service Officers here at the State Department, and I will take their opinions about how to handle North Korea, and I'm going to take them over and forcefully argue for their point of view within the Principals Committee that I used to chair and I used to think they were a bunch of sniveling little wimps before."

Not going to happen. She is not going to ask for, or if she listens to, she will not take with her alternative views beyond the President's approach on how to deal with North Korea, at least in this first year. The administration is stuck with having proposed for the first and only time something in June at the third round of Six Party Talks, and they simply cannot in the next round say, "Never mind. We've got a new approach and it's more flexible and you're really going to like it, so let's just start with something new." Not going to happen. They're really going to try to implement what they believe to be the best course of action on North Korea.

So what's that do with the relationship with South Korea? South Koreans likewise have shuffled the deck. They brought back Lee Tae-sik, who used to be the Deputy Foreign Minister, went to London as their ambassador. He's now coming back as Vice Minister. He will have, working for Ban Ki-moon, a say in the approach towards North Korea and the relationship with the United States.

They have taken Lee Soo-hyuck, who was up until a couple of weeks ago the Deputy Foreign Minister who was head of the South Korean delegation for talks for the six parties. He, after a sabbatical in Japan, is going to be going to Germany as their ambassador. They've brought in Song Min-soon to be the Deputy Foreign Minister and head of their delegation. Song Min-soon is a terrific, solid, nationalist, but friend of the United States, a tough guy. He's the

guy who was the negotiating partner with the United States on the one and only revision of the Status of Forces Agreement.

Now, what's the good news in this? The good news, I would say, is the Warsaw Pact. You say that doesn't exist. I say it's been resurrected. Song Min-soon was the ambassador to Poland; Chris Hill was the ambassador to Poland at the same time. They are good friends. They will work together, and as heads of delegations, they will be better at resolving differences, at coming up with compromises than Jim Kelley ever was with either Lee Tae-sik, who was head of delegation at one point, or Lee Soo-hyuck, So that's part of the good news.

The difficulty here is that Roh Moo-hyun--now I said earlier that the best envoy that South Korea had was Ban Ki-moon, trying to do his best to keep the relationship on, and what he is doing is following rapidly behind his President, picking up all the pieces of shattered china, where Roh Moo-hyun has been talking in public, LA, London, and then Warsaw, in which Roh Moo-hyun has said some things that this administration has reacted, "You have got to be kidding. He did not say that." Like, the North Koreans maintain that their nuclear weapons and missiles constitute a means of safeguarding their security by deterring threats from the outside, meaning the United States. By and large it's hard to believe what North Korea says, but their claim in this matter is understandable considering the environment that they live in.

AMB. PRITCHARD: So there's a difficulty here where Roh Moo-hyun has a view on what is acceptable, things that he laid out in London that says no one is going to impose upon South Korea, because we are too independent and strong, a unilateral decision for which we don't agree with. Translation: the United States is not going to do something unilateral with regard to North Korea, and we're not going to sit by and watch it happen.

So you have the potential for conflict here even though you have this Warsaw Pact that offers an opportunity, if and when the talks ever take place. Let me move beyond that for a second and just briefly mention so I give a good opportunity for my colleagues to come up and give their views and opinions on both Japan and Korea. And in other issues, opportunities for free trade talks with the United States. If you go back and take a look at what the incoming Deputy Secretary of State, the outgoing USTR said in September, three months ago, the answer is, it doesn't look very good. You know, his response was there are a lot of things that go into making the opportunity for an FTA negotiation to take place, and “I don't see any of those occurring in Seoul. It requires leadership out of the Blue House and it's not there, and I'm not sure if we're going to see it in the coming years. So I don't consider FTA a priority for the United States, and I don't think it's high on the list.”

South Korean foreign investment this last year, over half of it went to China. South Korea's movement into China is significant. When they take a look at the

annual labor costs for operating in China, it's $900 a year per laborer, versus $12,570 for operating in South Korea. There's a significant opportunity for South Korea with trade in mind, with a relationship in friction, with a determination by a President to have a cooperative but self-reliant security policy, that this is a year that's going to be very interesting to watch.

My own view is that there are opportunities in the Six Party Talks, they will take place; a fourth round will take place. There's going to be a great deal of frustration. And perhaps, if we're very lucky and the process survives 2005 and a determination of what the United States does about KEDO at the end of the year, you might have an opportunity, if Chris Hill survives, that 2006 could look up. But my prognosis for 2005 with regard to security in North Korea is not very good.

So with that, let me end. I've talked too long. Richard, do you want to introduce the other speakers? Okay. Thank you.

[Applause.]

DR. BUSH: Thank you, Jack, for putting a lot of stuff on the table. We'll now hear comments from our current CNAPS Fellow from Japan, Tomohiko Taniguchi, and last year's CNAPS Fellow from South Korea, Sook-Jong Lee, and we'll go in the order that Jack spoke. So Tomohiko first and then Sook-Jong.

[Applause.]

MR. TANIGUCHI: Thanks very much, Richard. While listening to Ambassador Pritchard's excellent account, I was being reminded of lots of things.

My background is journalism, and I sort of cut my teeth as a journalist in the 1980s, and actually the first business trip that I made to Washington, D.C. was in 1989, when I met people like Jim Fallows, who wanted to contain Japan at the time, and Clyde Prestowitz, those revisionists who gained popularity at the time. So I was saying to myself while listening to Ambassador Pritchard's talk, "Ten years is not a short period of time," during which a lot of things have occurred, among other things, for instance, Subaru, Suzuki are both in the hands of GM, Mazda in the hands of Ford, and Honda is one of the largest employers in the battleground state of Ohio. So it would have been a great story to go down to Ohio to talk to Honda employees about their views on employment, and the presidential election.

So that's the situation where we find ourselves now. So, first of all, 10 years has really been a long period of time. I spent my former sabbatical year in 1991-92 under the guidance of Kent Calder, who is now at SAIS. Back then he was at Princeton University. And Lee Iacocca was still running Chrysler, and he made a lot of nasty remarks about Japan. And instead, this year, I've been hearing stories about "Hi Hi Puffy AmiYumi." I'm not sure how many people are aware of this.

Ask your daughter or granddaughter, about the Cartoon Network; "Hi Hi Puffy AmiYumi" is a Japanese pop duo, a female duo.

And then if you go to a bookstore you will encounter titles such as *Godzilla on my Mind*. That's been authored by a professor at the University of Kansas. William Tsutsui is his name. And the Booker Prize winner, Peter Carey, who is an Australian novelist, went to Japan recently with his son, only to see Gundam, which is one of the cartoons also. So ordinary Americans seem to view Japan as a dramatically different picture from the one they saw 10 years ago. That's the first thing.

Also, if you look back at what's happened during the course of 10 years, I am pretty much surprised by the fact, for instance, Japan's Navy, let's call it Japan's Navy, is maintaining a quasi-permanent presence in the Indian Ocean and in the Arabian Sea, something which even the Imperial Japanese Navy couldn't dream of doing, and they have been providing American ships, German ships, even Greek ships, with petroleum. That's being financed by taxpayers' money in Japan. And also if you look at the Sea of Japan, what's going on now is a joint buildup of missile defense between the United States and Japan.

So if you put yourself into the shoes of the Chinese, it's almost as if the littoral area of China is being sandwiched by the joint missile defense on one hand, and by Japan's Maritime Defense Forces in the Indian Ocean on the other hand. So it shows how rapidly the security equation is changing in this area at the moment.

This morning I was watching a news show on Fox Channel. Henry Kissinger was there, and he mentioned that China is rising and Japan is changing. China is rising, Japan is changing: pretty much sums up what's going on in the East Asian region at the moment.

The other thing which relates to the topic of today's discussion is that Ambassador Pritchard talked about both Japan and Korea, so it's a sort of tripod-like relationship: the United States, Korea, and Japan. It is a tripod-like relationship, but it has never been a real triangular relationship because it was almost like a two-legged relationship with Washington, D.C. at the center, and Seoul and Tokyo as the two legs. But there was very little connection between Seoul and Tokyo. That's been dramatically changing as well. I think this is one of the most unprecedented changes that I can count, because for many, many years, probably millennia, let's face it, the Japanese have not paid much respect to Koreans. In the modern era, I have to say, a lot of people in Japan looked down upon Koreans.

But nowadays it's the reverse. Everything coming from Korea represents something cool. You know, Korean pop stars, Korean singers, and Korean soap operas dominate the channels of Japanese TV networks and there is a growing population, mostly female in their 30s and 40s, going to Korea to make a pilgrimage trip to look around the sites of the famous soap operas. So you can

now say that there is a triangle taking shape between and among Korea, Japan and the United States.

And this also bears a very important political connotation without doubt because despite the fact that the Prime Minister of Japan has continued to visit the controversial shrine, Yasukuni Shrine, the President of South Korea Roh Moo-hyun is very relaxed, and continues to make regular visits to Japan. Indeed, last December, mid December, there was a very casual no-tie get together between the two leaders, Koizumi and Roh Moo-hyun in the southern part of Japan called Ibusuki, Kagoshima. So it's one of the most remarkable developments, I have to say, and it should be pointed out that when it comes to the Shrine issue, I think China alone is the country now that's complaining.

Whether or not the relationship between the United States and Japan is going to change, that's a big question to be asked, but I've been hearing stories from the Japanese diplomatic corps that it is not necessarily Koizumi, but George Bush who loves Koizumi. If you ask Koizumi whether he likes George Bush, the answer is murky, so-so.

[Laughter.]

MR. TANIGUCHI: [Koizumi is likely to respond]"Well, I like him," but if you ask the same question to George Bush: "Oh, I like Koizumi!" That's why for someone who seems to have difficulties in remembering foreign names, he always pronounces Koizumi correctly.

[Laughter.]

MR. TANIGUCHI: This morning Secretary Rice, when she made her first speech to the employees in the State Department, also mentioned Koizumi. Clearly, Koizumi is one of the Japanese names which this specific administration finds no difficulties remembering.

Actually, in Santiago, Chile last year, when George Bush and Koizumi met during the APEC meeting, George Bush once again suggested that Koizumi should visit Crawford, Texas. And then the response was, Koizumi didn't say anything to George Bush. So it seems as if it is a one-sided affair almost. The reason why Koizumi declined to say anything specific has nothing to do with his relationship with Bush. Koizumi is a peculiar sort of politician. He likes solitary situations. He likes to be alone. Each and every major Japanese newspaper carries a specific section in which they report what the Prime Minister did the previous day, and there was someone who combined the statistics, and it was revealed that Koizumi has spent his Sundays, 70 percent of them, mostly alone. So he doesn't like to be with someone else. That might have been the reason why Koizumi declined the offer.

But the bottom line here is there are concerns, exactly as Ambassador Pritchard pointed out, with Armitage gone, Torkel Patterson doing South Asian Affairs and lots of other Japan hands gone, but so long as Koizumi and Bush retain this strangely strong bond between them, I think the bilateral relationship is going to be exceptionally good. And Koizumi's tenure is going to end in September next year. As far as the bylaw of the Liberal Democratic Party remains as it is, no head of the Liberal Democratic Party can remain as head beyond a set of two terms, and his two terms are going to expire in September of next year.

So what's going to happen afterward is a very good question to be asked, but for the remainder of his term, I think it's going to be a very good relationship. And finally, I have to point out that that relationship has been strengthened, of course, as Ambassador Pritchard mentioned, by the realization that China is coming, and then the security question surrounding Japan is going to be in a constant state of flux. So now is the time, in the minds of the Japanese, that they should bet even more heavily on the United States. At the end of the day, Japan has continued to purchase its insurance policy from Washington, D.C., and they don't want to waste their money.

That's my view. Thank you very much.

[Applause.]

DR. LEE: It's my great pleasure to be back at Brookings because I feel like it's home here. Because we have run out of time--I think we have only 15 minutes left--I will try to shorten my response to Jack's presentation and my own opinion to 7 or 8 minutes so you can ask more questions of Jack.

I think Jack mentioned that U.S.-Japan relations are very good, compared to the soured U.S.-Korea relations. I remember the famous visit of Kim Dae-jung to Washington in 2001 that ended up in a humiliating way. He tried to sell his famous engagement policy to the new President Bush, and many South Koreans view that incident as a kind of national humiliation, and even people who didn't like Kim Dae-jung's engagement policy took it personally. I think that this was the small beginning of growing anti-American sentiment in South Korean society.

And, in the middle of anti-American protests over two school girls' deaths, it was widely pointed out that President Roh, then the ruling party's presidential candidate, could win the 2002 presidential election by pursuing a foreign policy independent of the U.S. If you look back at U.S.-Korea relations under the Roh Moo-hyun Government, however, I don't think it has been that bad, unlike Jack's opinion. President Roh Moo-hyun was a lesser-known person to the USA, and so the first year in 2003 was difficult to coordinate. Also, there were new Korean experts and leaders, many new faces and unconventional leaders, and the bureaucracy came under a more progressive leadership. However, if you look at last year and up to now, South Korea deployed 3,000 soldiers to Iraq, and that was

renewed at the end of last year, on December 31st, when the 17th National Assembly of South Korea made the decision to renew a Korean stay in Iraq. Although President Roh Moo-hyun paradoxically had to rely on opposition MP's to support that bill, we are still committed.

And as a South Korean I'm trying to see the brighter side, unlike Jack who is more skeptical. You know, if you read Secretary Rice's statement in the Senate hearing, she said that public diplomacy will be a top priority, and in that respect, she's going to try to do something to mend the South Korea-U.S. alliance and relationship. She named South Korea, together with Japan and Australia, all free nations, as key U.S. allies to maintain peace and prosperity in Asia.

And I know when Secretary Rice was stating the three points on American diplomacy, the third one, spreading freedom and democracy throughout the world, of course, North Korea was pointed out as one of the six outposts of tyranny. And we all know that in his inaugural address, President Bush emphasized that the U.S. will seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny. That became a very famous statement, and I guess even Washington is pondering, how are we going to interpret that famous statement. And of course, right after this inaugural address, the next day the White House rejected any significant change, and yesterday again President Bush said there will be no shift in American foreign policy. But I know, rather than Democrats, the conventional orthodox Republicans are more anxious about this grand lofty idealism in American foreign policy.

But, you know, rhetoric is one thing and how you deliver it is another thing, and of course, South Koreans are wondering how are you going to apply this great statement to the Korean context?

Well, if you look at the U.S. and North Korean policy during the first Bush administration, we all know that there have been very strong inter-agency conflicts. The United States administration has been divided: the NSC, the Pentagon and State Department, and even within departments you have hawks and doves fighting on North Korea policy. So therefore, the factor that is very important is how are you going to change that. I think Jack said in 2005 there will be no big changes in the State Department, no big changes in policy because Secretary Rice is going to listen to President Bush more rather than be a professional servant in the State Department.

Well, I'm not sure. Now, if you look at the people who are rumored to be leaving, not only are Powell and Armitage leaving, but also hard-liner John Bolton is rumored to be leaving, even there are even rumors about Paul Wolforwitz leaving the Pentagon. Many people see the State Department as taking a more leading role, and leaving behind all the inter-agency conflict of the first Bush

administration. And also there is a kind of a merge to a more centrist, more realistic perspective among officers within the second Bush administration.

So my question is: well, when you have a unified approach to North Korea, maybe it can be effective, but effective in what sense? Maybe they will be tougher, rather than the softer policy we have expected. But how can you expect a tougher policy, you know, since conditions that led to no substantive North Korean policy during the first Bush administration are not expected to change greatly? The biggest reason was Iraq. The Iraq problem hasn't been resolved yet, right? And even after the election of this weekend, we all predict that still the Iraq quagmire will continue. And secondly, there's the Iran problem, and many people in Korean Peninsula believe, I guess including North Koreans, that as long as Iran exists North Korea has breathing space. I don't know.

So there are still a lot of problems that don't allow the second Bush administration, to take a radical approach toward North Korea. As you know, the North Korea Human Rights Act passed and signed by President Bush last year, and hearing all that Secretary Rice is saying and President Bush is saying, the only new policy we can expect will be on human rights issues. Human rights will become a major part of the agenda when the U.S. is negotiating with North Korea, apart from their continuing Six Party Talks framework to deal with the nuclear weapons program of North Korea.

Then my question is, how will the South Korean government react? The South Korean government's position on North Korea's human rights violations so far is somewhat like quiet diplomacy, because the South Korean government is concerned about North Korea's reaction. They think if they speak up on human rights violations too much, North Korea will not come back to the Six Party Talks, so let's keep it quiet.

At the same time, the South Korean government is trying to pick up North Korean refugees, as many as possible. South Korea has really opened up and is taking many refugees.

As the second Bush administration's human rights policy focuses more on violation issues in North Korea, I don't think the South Korean government will continue this kind of quieter diplomacy over the issue. Because in the Roh Moo-hyun government democracy is a big thing, and as a country that has been proud of its democratic achievements, it would be contradictory for South Korea to keep silent about the human rights issues of North Korea any longer. At the same time they are very conscious about having some breakthrough in negotiating on nuclear issues with North Korea. This tension creates a serious dilemma for the South Korean government.

And South Korean society also has been divided over the issue of North Korea. Human rights again is apparently a partisan issue, and some progressives are

suspicious about the motives behind this human rights issue, and they believe it may be a part of the U.S. desire to bring about regime change in North Korea. They are trying to deal with the human rights issues of North Korea in a rather different fashion.

On the other hand, conservatives in South Korean society try to criticize the very passive, weaker and quieter diplomacy of the South Korean Government, you know, pointing at contradictory gestures and the government's lack of clear support for mending this horrible situation in North Korea as a principle.

So we expect that PSI or human rights issues can be salient in 2005 and 2006, but the other framework is going to be similar. So therefore, well, if I can just challenge Jack's assessment of 2005, I think he was too skeptical about the relationship and the coordination and consultation between Seoul and Washington in dealing with North Korea. Thank you.

[Applause.]

DR. BUSH: Thank you very much. We have a little time for questions. I'll ask Jack to go back to the podium.

AMB. PRITCHARD: The only ground rules: softball questions to me, hardball questions to my colleagues.

[Laughter.]

AMB. PRITCHARD: Eric, you first.

QUESTIONER: Eric McVadon, a consultant on East Asia security. Jack, I guess a lot of us have heard that Japan is getting more and more concerned about China, and I wonder what that might do to the relationship with the U.S.? Will it somehow create some frictions? Will it maybe make our viewpoint on China a little harsher?

AMB. PRITCHARD: Obviously a good question. I actually don't know. My sense is that there is a growing realism within the Bush administration about China. You know, I've got blinders on when I look at this question, and I take a look at, from my perspective on China and what the Bush administration has allowed China to do in terms of exerting a leadership role in a proactive manner, which I don't believe that they've done in Asia on other issues, that they've been more passive and more reactive. But in developing the North Korea multilateral approach the Bush administration has handed the leadership role over to China, and they've watched them run with it.

And I'm not sure with the developing concerns that you are suggesting by the Japanese, which I share, that the Bush administration will not share those. I don't think we're going to find there's a friction of view in terms of the manner in which

the Japanese express their concerns, which would then lead to one of--three-way, a little bit of a friction. Not a good answer, but it's an area to watch.

QUESTIONER: Ken Lieberthal, Brookings. Jack, I wonder if you would comment on an additional area to watch, or either of the other two speakers. That is the increasing noise about the possibility of developing some sort of Northeast Asia security community grown out of the Six Party Talks, most likely with five of those six parties participating in some fashion. Do you have any expectations about something real beginning to emerge here, and if so, how?

AMB. PRITCHARD: Well, this is an issue in which I have a particular interest, and the development of the TCOG, the U.S.-Japan-South Korea trilateral coordination on North Korea policy that started in April of 1999, has become very successful. This spontaneous and near continuous consultation that is occurring has not been the intention, but has become the reality because of this issue with North Korea. You will see tomorrow, I think, the new head of delegation from Japan, Sasae, going to Seoul to talk with the new head of delegation for Korea, Song Min-soon, and if the two of them don't have dinner and talk to Chris Hill, I'll be surprised, and you'll find a three-way conversation going on.

But the point that I would say is the prospect for a more formalized Northeast Asia dialogue, security dialogue or some mechanism to develop is far greater than it has been in any time because of this consultation process and the success that I believe that is happening.

My fear is that it's going to be one of two things. It's going to require a successful outcome to the Six Party process that would then evolve into a more permanent mechanism, or the basis of this will be strong enough that at a point in time when there are only five players, you can begin to lay the groundwork for that. But I think the roots are there, and if we miss this opportunity, you know, shame on all of us, but it is the first time, in my mind, something that is beyond just an academic exercise.

QUESTIONER: There was another conference a couple days ago, a couple blocks from here, whose subject included North Korea, and at that time I made a comment, saying that I don't see any way that a resolution--resolution, quote, unquote--can be reached on the abduction issue between North Korea and Japan. And after the conference I got sort of bombarded by people who said, "Shut up."

[Laughter.]

QUESTIONER: But anyway, I was wondering whether you see any way that the abduction problem can be resolved?

AMB. PRITCHARD: Let me just say a couple words, and I'd like turn it over to Tomohiko. The answer is “probably not,” but I wouldn't put it past North Korea to find a way. The track record in dealing with the North Koreans is almost to the

last moment it is, "No, no, this is a principled issue and we will--okay, yes." And it surprises you--you know, those of us who have had the opportunity to negotiate with the North Koreans, that every time we are snookered into this and thinking, "Well, they really mean it, they're going to stick to their principles on this," and then, boom, you know, you go, "I should have seen this coming. It happens every time almost."

So if it does happen it won't be because of the logic of the negotiations. And I believe if they reach a settlement that is satisfactory on the surface to all parties, that something will happen in which every party will declare victory and move on. But that's my opinion.

MR. TANIGUCHI: [Off microphone.] It's been already three or four years since this issue of abduction came to the fore, and each and every morning, network channels are tirelessly reporting on it. So a tremendous national melodrama has been playing out for many years. And here again the media is part of the problem, and then that prohibited Japanese diplomacy from playing a larger role. So the simple answer to your question is there's going to be no solution.

And having said that, I don't think the Japanese Government is going to sanction North Korea. The Japanese government has introduced a solution to prohibit smaller North Korean ships from visiting Japanese waters. The largest ship called Mangyongbong might be an exception, North Korea probably is going to be able to buy insurance policies for that specific ship, but the regulation is such that any ship larger than 100 tons has to be fully insured, and the owner of the ship, meaning the North Korean government, has to buy a $1 million insurance policy for each ship, which is beyond their scope. So we're going to see a very limited number of vessel transactions. That will affect the North Korean economy.

QUESTIONER: I have a question about policy towards North Korea. It appears to me that there is a big, huge divergence among the three governments, the United States, Japan and South Korea. At the center of U.S. concern is of course the proliferation issue, nuclear missiles, plus ending tyranny, also known as regime change. Japan is, as you said, preoccupied with the abduction issue. As far as I know, during the last 2,000 years Korea has been unified, almost always unified, and therefore the division of the last half a century is very exceptional, and, in the hearts and minds of many Koreans, both South and North, could be seen as a very temporary situation. So the mindset or the underlying feeling among many Koreans is very different from what U.S. policy makers feel or have here inside the Beltway, and Japanese have something quite different in mind. So my question is: is there any common ground upon which three governments can work together? Is there any shared interested among three governments?

AMB. PRITCHARD: This is a case that I will say yes there is, and I go back to April of 1999 with Bill Perry, Lim Dong Won and Kato Ryozo, the three of them coming together. And I said, "Never going to happen." You know, Tomohiko

talked about the triangular relationships, and in 1999 I was thinking, “It's going to be great between the U.S. and Japan and between the U.S. and South Korea, but we're never going to get together and come up with some common tasks.”

But it wasn't long before we were taking off jackets and rolling up sleeves and developing common sets of interests about North Korea policy, how we would handle it, what each would do in what certain circumstances. So even though you point out some very stark differences on the large scale, I do believe because of the overwhelming security issue that proliferation and the potential that North Korea represents there, and the ultimate desire to have the relationship with the United States, that will--the common ground is a listing of priorities, and that becomes the priority for resolution for regional and for the United States, and I think there is enough common ground there that when you talk about this, if there's a resolution of that issue, the others can fall in place. And I think Japan and South Korea can see it in that manner as well.

QUESTIONER: [Off microphone, inaudible]

AMB. PRITCHARD: No, I don't see the possibility of any in the six-party talks with North Korea becoming frustrated with a lack of progress by the United States, then saying--as an example, either South Korea or someone else, "Look, let's just work this out (without the United States) so there's some satisfaction." I don't see that as a possibility. The language I thought you were going to go towards, is, you know the possibility of any of the six getting so frustrated that they walk away, and I absolutely see the danger involved of one of two parties walking away, either the United States or North Korea, for similar reasons here. But I don't believe that there is any danger in any sense of the word in the near or midterm that somebody's going to cut a separate deal with North Korea.

QUESTIONER: [Off microphone, inaudible.]

AMB. PRITCHARD: Yeah, and I do believe when you play this out--you know, the practical part of this is the North Koreans have signaled, “Okay, we're ready to come back.” The reality is that the North Koreans did what Richard Boucher says, "Well, tell us specifically and formally that you're coming back." The North Koreans said, "We'll be there on Monday," the U.S. response would be, "Well, we're not coming," because in a practical sense you've got to get Chris Hill in place. Jim Kelley's gone, you know, even though Joe DeTrani has been now officially nominated by the White House to be the Special Envoy in this new position for Six Party Talks with the rank of Ambassador. They're not going to let him do that. It will be Chris Hill. So you've got to wait for him to get back, to get in place.

So there is time here that's going to go by, so the first gate is whenever this occurs after the Chinese New Year sometime, maybe in March, maybe even later, I hope not. But the first hurdle is will the administration be able to signal to the North

Koreans? Will Chris be savvy enough to tell the North Koreans I've got to say the following, and as Chris begins to say, "We put a proposal on the table in June, and let us recap what it is," and the North Koreans are saying, "We want nothing to do with that." If everybody doesn't watch the underlying negotiation that has to take place through the body language, the pull-asides, through other things other than at the plenary table, that can be the start of the end of the process.

But if you've got smart enough people--and right now the dean of the Six Party Talks is Kim Gye Gwan. He's the guy, he's the only guy who was there for the third round. All the other five will have been new when the next round occurs. He's clever enough on his own if you're going to communicate with him in that manner. I hope Chris figures this out, and I think that he will, and we might be able to get beyond this, and then there could be life after the fourth round.

The fourth round is not going to be pretty, but if you get beyond it, that's the very first important gate, because if you get beyond it in such a way that we do not have another 9-month hiatus, then, all right, we're still in the ballgame.

The next hurdle beyond that will be whether or not the administration is able to figure out that the proposal has been sufficiently addressed, that they now have the latitude to modify it in practice for round number five. And if that happens prior to December of 2005, before the decision on KEDO, you're still in the ballgame.

Now, if neither one of these things happens and we get to December and the U.S. pushes for termination of KEDO, this thing may be over with. Those are my benchmarks.

QUESTIONER: [Off microphone, inaudible.]

AMB. PRITCHARD: Frank, that's an extraordinarily complex question that you've asked, and buckle your seatbelts, we've got another 20-minute answer coming up. Let me try to get it in little pieces, and it won't adequately answer that, but I think it goes to a lot of things that have been said already.

Iraq, Iran, distraction, and an inability to do what they might otherwise like to do with regard to North Korea are going to play a huge factor in this that will not preclude a potential from saying that my hopes and desires for Chris Hill may not be realized because of the continuing influence of Bob Joseph and others. We still don't know whether or if John Bolton will land on anything other than an exit sign.

But there is the possibility that the administration, even though it can't do what it wants to do, has so much frustration that it begins to back away from this possible diplomatic process, and it does the beefed up PSI version, it takes heart at the new law that Tomohiko was referring to that's being passed in Japan, that it tries to

take something to the United Nations, that there is more of a confrontation, that we go through the termination process of KEDO, and that against all of our better judgments, that Secretary Rice and the administration actually believe what they say in that there is a convergence of five against one, and they begin to do these things before they realize that's not true, you know, that they're going to get zero help in the United Nations from the Russians or the Chinese, and they're going to cause damage in the relationship with the South Koreans.

So I'm not at all optimistic that that view of time and passive containment will be a scenario that will play itself out.

QUESTIONER: [Off microphone, inaudible.]

AMB. PRITCHARD: Yeah, and there is yet another poll that was conducted in November. Another poll that said, as an example, who should the South Koreans align themselves with if there is a major conflict between the United States and North Korea? And the answer was: 20 percent said to align ourselves with North Korea; 39 percent said, well, we don't know. Now, the rest of them said they should align themselves with the United States. Now, my comment at the time was, "Is this nuts?" I mean why is there a discussion here? We're talking about the potential of conflict on the Korean Peninsula; whose side do you want to be on there?

So, no, I can't, I cannot bring myself to try to figure out what the polls themselves mean other than there are generational changes that are occurring in South Korea. There are still strong views about the reliability and the friendship of the United States. These things I can't pretend to try to put them together. I don't know if you can.

Any other questions as we--you know, I tried my best to speak long enough to take up all the time so you have no time for questions, but Richard has allowed this to go beyond by 20 minutes.

DR. BUSH: I wasn't going to let you get away.

[Laughter.]

AMB. PRITCHARD: I know, I know. I tried.

DR. BUSH: Anybody want to have the last word? If not, thank you for being here.

[Applause.]