THE BROOKINGS INSTITUTION

OBAMA AND CHINA'S RISE:

AN INSIDER'S VIEW OF AMERICA'S ASIA STRATEGY

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P R O C E E D I N G S

MR. TALBOTT: Good afternoon, everybody. This is both qualitatively and quantitatively a terrific group. Oh, by the way, those of you who are in the standing room only category in the back, there is an overflow room as well if you get tired standing, but thanks to all of you for being here.

There are a lot of friends of the Institution here today, including three members of the Diplomatic Corps. Ambassador Hafström of Sweden, Ambassador Strommen of Norway, and Ambassador de Puget of Malta. Thank you very much for being part of this event that celebrates both a book and an author, appropriately enough.

The book is *Obama and China's Rise,* and the author is Jeff Bader. We're also using this occasion to put the spotlight on the creation of a new title and a new position at the Brookings Institution, which is the John C. Whitehead Senior Fellowship for International Diplomacy. And Jeff is the first Brookings scholar to hold that title and that position. (Applause)

Well done. Thank you for getting that started. (Laughter) I thought maybe it would be Rohini, Jeff's wife, who might have done that.

MS. BADER: Oh no, it wasn't me.

MR. TALBOTT: No, you picked up on it very quickly,

though, I saw, Rohini.

As you all will, of course, immediately understand, we created this position at Brookings in honor of a great public servant and also an outstanding leader in the private sector. John Whitehead served for 38 years at Goldman Sachs and he rose to the chairmanship of that unique and outstanding institution, and was, and remains, a personification of the highest integrity in a very important part of the financial sector in our country and indeed had a lot to do with taking Goldman Sachs global.

He also served in a position that I have some affection for, which is that of deputy secretary of state in the second Reagan term. And he was a valued trustee of this institution for many years, including serving for several years as the chairman. And I might say that I'm delighted to have two long-serving trustees of Brookings here this afternoon: Steve Rattner and Antoine van Agtmael.

Jeff, as you all know, has immense experience in China and in East Asia. Thirty-five-some years ago, the young Jeff served at the right hand of the young Dick Holbrooke, as a staff assistant when Dick Holbrooke was assistant secretary of state for East Asian Affairs. That means that Jeff was very much present at the creation, in some ways, of the fully developed U.S.-China relationship. That is during the period

when the United States normalized diplomatic relations with the People's Republic of China.

Since then, during his service at State and at the National Security Council and at the U.S. Trade Representative's Office, he was involved in a number of pivotal and critical events in the relationship between the United States and China. That included building stronger ties in the 1980s, dealing with the tensions that resulted from Tiananmen, also the tensions that grew up over the Taiwan Straits in the mid-1990s, and a happier development, which was China's accession to the WTO.

Jeff came to Brookings in 2005 to be the founding director of the John L. Thornton China Center, which has thrived under both his leadership and that of Ken Lieberthal, who I'll come to in a moment.

In 2009, Jeff went into the Obama administration as senior director for East Asian Affairs at the National Security Council. And we're absolutely delighted to have him and Rohini back as part of the Brookings family.

Now let me say just a word about the book, which I had the opportunity to read in manuscript. And it's a genre of book that several of us in the room, Martin included, have a little bit of experience with, which is drawing on one's own personal time in government both to reflect on what people who have that opportunity can see up close and personally

and to weave an authoritative and candid evaluation of an administration's handling of some very tough issues into a story that is just personal enough to feel personal, but not so personal as to be narcissistic, if I can put it that way. And that's a word that you'll never hear in the same sentence with Jeff Bader. In fact, he may err sometimes in the other direction, too self-effacing.

But it is a terrific book and it's filled with some very compelling and, I would say, useful insights, both into the policy-making process here in Washington, also into the diplomatic process, and not just with his counterparts in Beijing, but with other key countries, including key allies as well.

I'd also like to use this occasion to thank the China-U.S. Exchange Foundation for its support of this project.

We're going to proceed thus: Jeff is going to make some opening remarks and then his successor as the director of the Thornton Center on China, Ken Lieberthal, will offer a response. And Ken, as you all know, has had a career that is in many ways so similar to Jeff's. He's an extremely highly regarded expert on China, with outstanding academic credentials as well as superb service to this country. And I had the pleasure, as did Martin, of working with him in the 1990s when he was at the NSC, and it's been terrific having him here with us.

After Ken finishes his remarks, Martin, who is the vice president and director of Foreign Policy here at Brookings, will moderate a discussion. I'm sure that will require all of your diplomatic skills, Martin.

So, with that, let me turn the microphone over to the author of the day. (Applause)

MR. BADER: Thank you much, Strobe, for those excessively flattering remarks and for bringing me back to Brookings. Thank you, Martin and Ken, for arranging and running this event. I'd like to acknowledge a couple of people before I start, a few White House friends who I saw coming in.

I saw Evan Medeiros, my partner in crime at the East Asia Office at the NSC. Mike Hammer, who was the NSC press spokesman and did his best to keep me out of trouble with the press when I was there. He can't help me anymore. Mark Lippert, who persuaded me to join the NSC.

A couple of former mentors in previous jobs: I see Doug Paul, with whom I spoke pretty much every day, first thing in the morning, during the George H.W. Bush administration; and Stanley Roth -- the incomparable Stanley Roth -- who was assistant secretary in the late '90s.

I also saw Harry Thayer over here. Harry was director of the China Desk when I first came to the East Asia Bureau, back in the mid-

1970s. And as Strobe mentioned, Dick Holbrooke was assistant secretary at the time and Harry was director, his deputy was Stape Roy, and these people were demigods to me at the time. I remember my first staff meeting where Dick, in his sort of characteristic good-natured and somewhat irreverent way, said something about Harry's position as country director and Harry replied, now, Dick, when I was named to this job, the first thing I did was to call my mother and to tell her. And my mother said, that's wonderful news, Harry. Does Mao know? (Laughter) And that was kind of my watchword when I became country director 18 years later. It kept me in my place and kept me appropriately humble.

And last, of course, I want to acknowledge the presence here of my strongest supporter and occasional and always helpful critic, my wife Rohini.

Obama and China's Rise recounts U.S. policy towards Asia during the time when I worked in the National Security Council, from January 21, 2009, until April 15, 2011, under President Obama. It's a blend of memoir and analysis. I hope in a time when people are paying attention to what has been called -- inartfully, in my view -- the pivot to the Asia-Pacific that you will find in this book the foundations of a policy that I believe properly rebalance U.S. interests in the region.

This is a book about what happened, what happens in the

region, how the Obama administration helped to shape events, and how we responded events. There are two things this book is not. It's not a book of theory. I'm a practitioner, not a theorist, of international relations. When I was at the NSC, I was not the sort who suggested we might hesitate in taking an action because it wouldn't work in theory.

The second thing it is not is a settling of scores, which is, of course, the most popular kind of book to write in Washington. It helped in my case I have no scores to settle. One of my manuscript's thoughtful reviewers, Victor Cha, observed that it was important to distinguish between strategy and adaptation to events. Victor, frankly, gave the Obama administration better marks for adaptation than strategy, although I think it's fair to Victor to say that he uses that as the yardstick to judge pretty much every administration.

Regardless, I'd like to begin by laying out briefly the main features of the strategy we pursued. The Obama administration did have broad strategic goals in the Asia-Pacific, something short of a blueprint. It's not an accident that Obama admired the foreign policy of George H.W. Bush, Brent Scowcroft, and Jim Baker. They were superb adaptors during a time of turmoil and unprecedented upheaval that they did not anticipate and could not have anticipated.

What were President Obama's strategic goals in the Asia-

Pacific? First, a belief that we needed to rebalance our global priorities and pay much greater attention to Asia. Secondly, a stable relationship with China with more intensive interaction with its leaders and cooperation on international issues. Third, on North Korea, to quote Bob Gates, a refusal to buy the Yongbyon plutonium production horse for a third time, but a willingness to negotiate bilaterally or multilaterally, towards the goal of complete denuclearization. Fourth, strengthening of and participation in regional institutions, or so-called architecture. Fifth, strengthening of alliances and partnerships, principally with Japan, South Korea, India, Indonesia, and Australia. Sixth, maintaining forward deployment of our armed forces in the region. And finally, in negotiating agreements to expand trade and exports to the region.

Instead of describing how seamlessly we executed plans drawn up at the beginning, let me instead lay out what we did in reaction to events. As one of my colleagues said to me after a frustrating day in dealing with demands by senior White House officials for strategy, he said, there’s no such thing as strategy, there’s just tactics. That’s a considerable exaggeration now, to be sure, sort of like the observation that history is just one damned thing after another. But when you’re in the middle of the fray, that’s what it feels like.

First, North Korea, since that was the issue that posed the

most immediate dangers and consumed so much time, energy, and resources. We came into office on something like automatic pilot, preparing to pick up implementation of Assistant Secretary Chris Hill's plans for dismantling the Yongbyon plutonium reactor. But North Korea quickly eliminated that option. Intelligence in February 2009 showed North Korean plans to launch an ICBM, later characterized as a satellite launch. We could not proceed with implementation of dismantlement of Yongbyon and further international shipments of heavy fuel oil, called for under the agreement, under the shadow of an ICBM launch. So it's fair to say that North Korea's plan produced a significant hardening of attitudes in the Obama National Security team.

Over the next year and a half, North Korea undertook a series of provocations and we undertook responses designed to change their calculations. North Korea threw out IAEA inspectors from Yongbyon and shut off the cameras. They launched a long-range ballistic missile in 2009 and numerous smaller ones. They conducted a nuclear explosive test in June 2009. They sank the South Korean naval vessel, *Cheonan*, in 2010. They shelled Yeonpyeong Island in November 2010, killing four people. And they announced they had a uranium enrichment program at Yongbyon.

In response, we put in place an unprecedented array of

sanctions, including a near total arms embargo and financial sanctions through a U.N. Security Council Resolution. We promulgated an Executive Order singling out North Korea for further sanctions for the first time. Much to my amazement there was no North Korea-specific Executive Order existing at the time. We substantially developed our alliance with South Korea, postponed transfer of operational control over South Korean forces in wartime until 2015. We deployed a U.S. carrier group to the Yellow Sea not once, but twice. We conducted a number of joint exercises off the east and west coast of Korea, and we supported South Korea as it conducted live fire exercises after the Yeonpyeong Island shelling.

One of my most vivid memories of my time at the White House was a late-night videoconference in the Situation Room in which several of us in the NSC, along with senior Defense Department officials, tracked the exercises and the possibility of a North Korean response. We actively supported the South Korean show of force, but we also took steps to limit the risks of escalation. President Obama also developed as close a relationship to South Korea's president as I can recall our two presidents having. President Lee came to the White House twice for high-level visits, hosted President Obama in Seoul twice, and became one of Obama's favorite counterparts.

We concluded the U.S.-Korea Free Trade Agreements and we engineered South Korea's hosting of the Nuclear Security Summit in Seoul later this month, which President Obama will attend. We also worked closely and effectively with the Chinese to prevent further North Korean provocations, and more on that in a minute.

So what was the outcome? A few points. Number one, we strengthened our alliance in relationship to the ROK. Number two, we communicated effectively to North Korea that provocations and extortion would lead to punitive responses, not rewards and concessions. And third, we continued to make clear our willingness to talk to the North bilaterally and in the Six Party context, but only on the basis that it talk to the South, which it has been doing; that it refrain from further provocations and it accept a monitored freeze on its uranium enrichment program.

I'm pleased within the last 10 days the administration has announced that North Korea has agreed to invite inspectors to monitor a freeze on the uranium enrichment facility at Yongbyon, a moratorium on nuclear and ballistic missile tests so long as a constructive process is ongoing, and it has accepted the armistice and 2005 joint statement as a basis to proceed. I'd be happy, along with Ken, to discuss what we think of this further in the Q&As.

Second, China. Clearly the most important challenge facing

our policy in Asia. From the outset, President Obama made a number of points clear to Chinese interlocutors. First, Obama genuinely respected and welcomed China's rise, with a stated expectation that it would be consistent with international law and norms and not destabilize the region. He said that publicly, he said it privately. We wanted to work with China to address international issues. Iran and North Korea were at the top of that list. We were and are a Pacific power and intended to maintain and strength our ties and relationships in the region. That was one of the central points that the President expands on at some length in his first meeting with President Hu. And finally, we expected our relationship to have elements of both cooperation and competition. We want to increase the cooperative elements and successfully and peacefully manage the competitive ones.

Now, I've worked on China for three decades -- China policy for three decades, and I'm used to dodging incoming fire. Incoming, that is, of course, from our side. (Laughter) This period has been no different.

There were three broad phases in our interaction with China during my tenure at NSC. In the first year we sought to lay the groundwork for a stable and positive relationship. That involved: an Obama trip to China; numerous phone calls and meetings between the two presidents; creation and first session of the strategic and economic

dialogue, a unique mechanism in the U.S.-China relationship; a joint statement laying out the goals in the relationship; generally close cooperation on North Korea as we agreed on a strong U.N. Security Council Resolution and presidential statement; beginnings of significant cooperation on Iran; parallel stimulus packages designed to prevent the world from sinking into a depression; and cooperation between President Obama and Premier Wen Jiabao at the Copenhagen Climate Conference.

In the second year, China's diplomacy altered, not for the better. One of my friends has referred to 2010 as China's year of living assertively. They sided with North Korea in ways that encouraged bad behavior, which I described earlier. They publicly sought to exclude U.S. military vessels from the Yellow Sea. They engaged in a confrontation with Japan over fishing rights around the Senkaku Islands that led to a temporary freeze on Chinese rare earth exports to Japan. They threatened to halt imports of products from companies that sold arms to Taiwan, including some of our biggest exporters. And they exerted extensive claims, unjustified by international law, in the South China Sea.

The Obama administration pushed back against these steps in addition to taking other actions of our own that inevitably caused friction, such as a $6.4 billion arms sale to Taiwan and a presidential meeting with the Dalai Llama in the first two months of 2010.

I've described our reaction in Korea. In the South China Sea, most of you are familiar with the policy articulated by Secretary Clinton in Hanoi, at the ASEAN Regional Forum meeting in July 2010, which was the fullest description of our interests in the South China Sea that I can remember any official ever giving. It elicited a short-term hostile reaction from the Chinese, but over time it has had the desired effect of encouraging the Chinese back towards negotiation and discussion with other claimants over code of conduct. And in the case of Japan, several of us -- more senior than I -- made clear publicly our commitment under our mutual security treaty to the defense of the Senkakus.

By the end of the year, the Chinese leadership understood and our reaction helped them understand that its year of living assertively had not only damaged its relations with the U.S., but with all its most important neighbors: with Japan, South Korea, Indonesia, India, and Vietnam, to name a few. Arguably, their only improved relations in that year were with Burma and North Korea, not a strong diplomatic record.

This was the setting for an about-face. First, State Counselor Dai Bingguo, who oversees China's foreign policy, wrote a very important article reiterating Beijing's commitment to Deng Xiaoping's principles of prudence, patience, and never seeking hegemony. That was in November 2010. This signaled a definitive end, at least for now, to an

intense official debate on the course of Chinese foreign policy and demonstrated that at least Dai and Hu Jintao understood the costs China had incurred by maladroit diplomacy.

At around the same time, as tensions in Korea peaked in the wake of Yongbyon's uranium enrichment program announcement and the shelling of Yeonpyeong Island, we coordinated closely with the Chinese to prevent further North Korean provocations. Led by Dai Bingguo, China communicated clearly to Pyongyang that acts of aggression and armistice violations would not be tolerated. North Korean provocations abated, paving the way 15 months later for the current modest progress.

Finally, Hu Jintao visited the U.S. for a visit in January of last year. The visit went well publicly and privately. It had none of the swagger of Chinese statements in the previous months and came on the heels of an invitation to Secretary of Defense Gates to visit China that restored military-to-military relations at the highest level. This ushered in phase 3, a period of limited expectations as China approaches its leadership transition, some continued progress on security issues, and now much greater focus on the economic issues that confront us.

Third, a few remarks on Japan, with whom our relationship turned out to produce more challenges than anticipated. From the outset we wanted to signal that we were giving higher priority to Japan, with

whom the relationship had frayed somewhat at the end of the Bush administration because of disagreements over the North Korea nuclear issue. So we invited Prime Minister Aso to be the first official foreign visitor to the Oval Office in February 2009. Prime Minister Aso's popularity rating at the time was just under 10 percent. This was, as I mentioned -- so, the President, in briefing him, between Aso and the President, they had a 100 percent popularity rating in Japan. (Laughter)

But this was a tribute to Japan, not to Aso, that we invited him. And Secretary Clinton made her first overseas stop abroad in Tokyo that same month.

The first big challenge that we faced was the consequences of the victory of the Democratic Party of Japan, ushering in only the second period of non-LDP rule in 60 years. That turned out to be a considerable adventure because of the -- how should I put it -- the special political and personal characteristic of Prime Minister Yukio Hatoyama and the direction in which he sought to take Japan toward equal distance between the U.S. and China: an East Asian community excluding in the U.S.; expulsion of the Marines from Okinawa; halt of support for U.S. operations in Afghanistan; a potential alteration in nuclear deterrent security doctrine; and, overall, a fraying of the alliance.

To illustrate just how far the Hatoyama government was from

traditional Japanese positions, I received a phone call from a prominent head of government in the region after the East Asia Summit in November 2009, saying that Hatoyama had made a presentation calling for an East Asia community excluding the U.S. before a smiling but bemused Chinese delegation, prompting the Vietnamese delegation head to speak to my caller to say that Japan was threatening the security of the region by its reckless proposals.

Now, the irony of Vietnam calling out Japan on behalf of a U.S. presence in the region was not lost on us. (Laughter) So we tacked and trimmed and twisted our way through the Hatoyama period. President Obama made clear privately that most of Hatoyama's proposed measures were completely unacceptable, but he avoided a public shouting match that might have polarized relations and would have encouraged Hatoyama to rally the Japanese public against foreign pressure. The Japanese public, in fact, quickly lost faith in Hatoyama and his mishandling of the alliance was one of the reasons for the precipitous decline in his popularity and his fall from power.

His successors, Kan and Noda, have rebuilt the alliance, walking away from Hatoyama's flirtation with neutrality. The last big challenge in Japan was the triple disaster of the earthquake, tsunami, and nuclear meltdown of Fukushima in my last month at the NSC. The

response of the U.S. military to the tragedy was superb and did more to persuade the average Japanese of the value of the alliance than a thousand op-eds and speeches.

You'll have read in the media in recent days of frantic debates within the Japanese cabinet at the time about whether Tokyo might have to be evacuated under certain contingencies. The Japanese government did not share those particular alarms with us, but we had plenty of alarms of our own. For our part, we were faced with highly uncertain scenarios about the potential spread of radioactivity from Fukushima. Indeed, I was concerned about the risk of starting blindly down a slippery slope that could have led us to a drawdown or even, in the extreme, evacuation of our bases.

Fears that we might move in that direction were prompted by exaggerated scenarios for the spread of radioactive plumes from the reactors. We were saved from actions that might have had profound impact on our alliance by the superb work of the President's science advisor, John Holdren, working with the Department of Energy and Lawrence Livermore Laboratories in producing a model that demonstrated that under the worst imaginable scenario, radiation exceeding EPA standards would only come to about 75 miles from Tokyo and nowhere near our bases.

Last, a very few words on Southeast Asia. The Obama administration was determined to raise the place of Southeast Asia in our attention to the region. We did so in a number of ways.

First, President Obama's personal decision to join the ASEAN-based East Asia Summit to try to make it into the region's premier organization dealing with political and security issues. He did so, frankly, in the face of divided counsel from his advisors. I was on the winning side on that one, by the way.

Second, opening a diplomatic dialogue with Burma that has led to some impressive results.

Third, President Obama met annually with the leaders of the ASEAN 10 countries, the first time a President has done so.

And finally, creating a comprehensive partnership with Indonesia, a country with whom Obama has a special affinity from his youth and he is viewed as something of rock star and a homeboy.

To summarize, we tried to demonstrate greater U.S. commitment to the Asia-Pacific region. In a period of economic hardship and budgetary constraints, we insisted on maintaining force levels and forward deployment. We believed that this was important in its own right, and especially so in a period of potential instability accompanying China's rise. We decided to embed the United States more firmly in the region's

emerging multilateral architecture, both in our own interests and as a comfort to countries in the region. This was very much demand-driven.

We dealt cooperatively, extensively, and candidly with China's leaders, making clear our positive view of China's rise and its regional role and working with them to achieve limited but real success on global issues while pushing back when there was overreach.

We built the U.S.-South Korea relationship to an unprecedented level of cooperation and trust, in my view. And we shaped North Korea's choices to prevent a replay of past cycles and encourage a more successful approach.

We kept the U.S.-Japan alliance intact and strong through a difficult period. We opened a dialogue with Burma that is producing results. I'm proud of this record and I was pleased that it generally enjoyed bipartisan and public support.

My book recounts what we did under the guidance and leadership of a President who sought deep engagement in the region. I hope you all enjoy it, and then tell me what we did wrong. That's how, in our country, we eventually get things right. Thank you all very much. (Applause)

MR. LIEBERTHAL: Jeff, thank you very much. It's a pleasure to have a chance to comment on this book because it's such a

good book, frankly. My biggest criticism of it is the title, which is *Obama and China's Rise.* As Jeff's review of the book highlights, this is really about American policy towards Asia as a whole. It's richly textured and detailed. So I appreciate that China's rise is a great draw for selling books, but in this case the title really doesn't do the book justice.

This is an honest account and it's graceful. Jeff is not someone who takes to the printed word to engage in score-settling and back-biting, although I will say there were some tough words about the media spread throughout here, I noticed. It's a book that's written clearly and concisely and it's a wonderful blend of down in the weeds kind of what happened, and sitting back to capture the larger picture.

I think in this he very well conveys what is, frankly, clear but difficult to grasp in detail from afar, and that is this mixture with this President of someone who came into office with some directions where he wanted to move policy, strong view about how to deal with people, but without a grand strategy and with no previous foreign policy experience. And how that played out in policy, in the evolution of a very constructive policy, emerges beautifully from the narrative in this book.

But I'm not supposed to just stand here and say good things. I'm supposed to make a few comments to give it some texture, some edge. So let me comment on three things: one, a few remarks about the

book; secondly, a few about the history of this period and how the book deals with that; and then thirdly, a couple of questions that kind of grow, at least for me, grow from the book.

First is, this is called an insider's account. That's the other part of the title. I had the pleasure of working with Jeff in the White House. When I was on the NSC, Jeff was the East Asia director and we worked very closely together. And I can tell you, this guy is a marvel in the government. He's a marvel because he's a master of policy. Equally he's a master of process, of how you move things through this tangle of bureaucracies and interests that make up the government. And he managed to do it all with a sense of humor that left the people he had just cut the legs out from under thinking he was a good friend. And so it was a wonderful way to kind of be very effective, not only now, but the next time around, right? And Jeff really is terrific at this. And I say this, if it sounds like that's a kind of backhanded compliment, it's not at all. It's what being effective is all about.

Knowing that about Jeff, I found this insider's account a little, frankly, for my desires at least, a little too guarded. It doesn't focus much attention on the differences over how best to deal with China and shape its behavior. There's a lot about what they did, but not so much about who thought they ought to do it quite differently and why and how that played

out. And it captures the upsides of key personalities throughout the administration very tellingly, but it conveys surprisingly few frictions at a personal level and that doesn't ring quite true to me.

In other words, I think there's -- I'll leave it at that.

A couple of comments on substance in the book. You know, the Obama administration came into office when America had just walked off a cliff. Right? This was at the height of the financial crisis and in the first few months of the administration the American economy was tanking and bringing down much of the world with it, which severely affected our reputation in Asia, the sense that America not only was the strongest country in the world, but will remain that way as far as the eye could see, that we had the magic sauce. We understood finance, we understood military power, we understood how to do things.

My own sense in Asia is that that impacted in a significant fashion the way many countries in the region saw us, not the least of which China. There's a terrific review in this book of our policy towards China and how that evolved, but there's not very much on how China saw us and how confident we are that we had the right read of that, you know, of that important reality. So I'd love to get Jeff to comment a little bit more on that.

And my own sense is, among other things -- this is a

separate but related issue -- that despite a relatively good relationship with China that was nurtured during this period, an effective way to deal with a wide array of issues, that the level of distrust in each other's long-term intentions -- not what we're going to do tomorrow or next year, but 15 years from now -- are we going to be each other's biggest problem or will we have a reasonably constructive great power relationship? I think the negative view of the answer to that question has, in fact, grown in both governments. And I'd like to get Jeff's view on whether that's accurate in his mind and how we have seen the Chinese thinking on this issue and how that has in turn influenced the policy that you describe so beautifully in this book.

Related, turning a little bit more to history. Jeff in his overview provided two broad comments. One that '09 went pretty well and we did a lot to establish a smooth relationship. He didn't say it, but it's very much on the agenda. How do we avoid the traditional first-year problems in U.S.-China relations when we have a new President in office? And I think the administration did an excellent job of that. And second year, much more problematic, right?

I think there are issues about cause and effect in the transition from Year 1 to Year 2. Year 1, President Obama went to China in November. One of the things that grew out of that visit, I felt, was -- and

I was told this by some of the participants -- a good set of mutual understandings as to how each would handle the Copenhagen Conference coming up a month later, which was, at the time, a very big deal. Yet at Copenhagen we butted heads from beginning to end. It's only at the very last minute that a limited agreement, you know, was stitched together, in part by Obama and Wen Jiabao. But I've never quite understood what happened in between. And was Chinese policy shifting somehow? Did they think at the end of a year of the Obama administration reaching out that Obama could be pushed? That he wasn't as tough as we wanted him -- I mean, kind of what was the -- what's cause and effect here?

If you forward a little bit, early in the following year, we made the arms sales to Taiwan that Jeff mentioned. The President hosted the Dalai Lama in the White House. Totally outside of administration control, the Google incident occurred, but that became tied up a little bit in U.S. policy. And then the Chinese became very assertive, as Jeff announced, right? The question is what's cause and effect? Did any of those early moves, especially the Taiwan arms sales and the Dalai Lama, make the Chinese feel that we had essentially reneged on all the happy talk of the visit and that they needed to push back to get credibility? Or did it work somehow differently? I've never been quite clear about that and I would

love to get Jeff's views on it.

And then finally, if you look back over the past, say, year and a half, my own sense has been while we have put together a very effective rebalancing toward Asia -- and that really came together startlingly well, I thought, in President Obama's November trip to Honolulu, Indonesia, and Australia -- I've sensed somewhat differing views in different parts of our administration as to what the balance ought to be. And the way I would in caricature form put that is some -- I attribute this mostly to the White House, frankly -- feeling that Asia's the most important region in the world for the United States. Good relations, effective relations with China, constructive relations with China are critical to that. So are very effective relations throughout the region, and so we have to go for all dimensions of that and these are mutually reinforcing.

There are others, I sense, elsewhere in the administration who feel you need a good relationship with China, but then also feel you have to stitch together the region around China to prevent China from succeeding in doing bad things. Right? It's a nuanced difference, a nuance that I think is, in policy terms, quite significant. And I didn't -- I mean, the book leaves off mostly before a lot of this occurred, but I -- that's a difference I'd love to hear you comment on.

And then let me conclude with just three quick questions.

One, if you agree that the narrative of strategic distrust, in other words distrust about long-term intentions, has, in fact, gotten more difficult to -- it has sharpened, if you will, in each country over the last few years, what would you do to shift it? In other words, looking forward, how do we get out of what is a corrosive framing of our relationship on each side as we look to the long term? Are there some thoughts you would have on that from your time in government?

Secondly, you commented, I thought very accurately, that our relationship with South Korea has been the best it's ever been. Lee Myung-bak and Barack Obama have really hit it off extremely well. My sense is we really gave South Korea almost the lead in policy toward North Korea to an extent I haven't seen before; obviously limiting some things, but fundamentally really very strongly following the president of South Korea's lead. But South Korea has an election coming up and it may well have a very different point of view held by the new president of South Korea by the end of this year.

So I'm wondering how big a difference that makes. We're looking at elections and successions all over Asia this year. How much does this narrative potentially change?

And then thirdly and finally, and this, in a sense, goes back to one of my initial points, as we go forward in Asia, how much does our

capacity to implement effectively and in a sustained way the strategy that you've talked about, Jeff, how much does that rely critically on our ability to bounce back domestically, to reach the kind of political agreement necessary domestically to get on top of our fiscal problems, and thereby demonstrate that we are going to be vibrant and strong for the long term and not increasingly be constrained by our own fiscal melees?

So to sum up, Jeff has done all of us a favor of writing a book that is eminently accessible because of its clarity and flow. I would have liked to see some more on some of these issues that I've raised here, but the bottom line is this is a really good book. New information, important insights into the thinking of the Obama administration during its first two-plus years, and so thank you for writing it and thank you for having Brookings publish it. (Applause)

MR. INDYK: I want to add my welcome to that of our president, Strobe Talbott, to such a distinguished audience here to honor Jeff Bader, and not just the publication of his book, but the great service he has done to our nation. And I think that the description he has given of the way in which policy towards Asia and China in particular was developed during his tenure at the White House is, I think, an example of the great work that he has done. And as the director of foreign policy at Brookings, I can't say how delighted we are to have you back here as our

colleague again.

You have on the stage here two of the preeminent experts on China and Asia, and I don't want to get in the way of that. But I do want to take advantage of the fact that Jeff has written a fascinating insider's account to talk about the leader that he spent the most time with in fashioning this strategy, and that is, of course, President Barack Obama. And I wonder if you can give us a little bit of the texture and flavor of this President when it came to the issues that you were dealing with. Did he come in with a theory of the case that was well formed or was he open to the kind of ideas that you were putting forward? How did he respond in crises? What was he like to work with?

MR. BADER: Oh, a few thoughts, more than a few, sort of personal thoughts and a few policy thoughts.

First, it was an unbelievable opportunity to work for him. When General Jones approached me and asked me to be senior director for Asia, he said, you know, you will be in the room with the President whenever we're briefing, whenever we're discussing policy issues. I, General Jones, don't believe in serving as an intermediary between my experts and the President.

And I've been around enough senior leaders, so I gave that about a 1 percent chance of being true. (Laughter) And I said, fine, I'll

take the job, but, you know, I don't need that assurance. Actually, it turned out to be right.

You know, I had the opportunity to personally brief the President. I'll be in the Oval Office, I don't know how many scores of times, talking to him about policy before meetings, before trips, before phone calls, or general discussions about policies.

He's a superb listener. Politicians get a bad name in the United States. One characteristic that good politicians all have is when you're talking to them, they look right in your eyes. They look right at you and they're absorbing what you're saying. Barack Obama absolutely had that.

He invariably wanted you to speak, speak first and speak at length. And I can remember occasions where -- I mentioned one in the book even though Ken felt that I was perhaps covering up too many of the differences, I remember occasion where the secretary of state made a particular recommendation which I didn't agree with and I sensed the President didn't. And the President looked around the room and said, well, anyone have anything to say about that? And he saw, you know, eight senior officials silent. And then he saw me start fidgeting and he said, Jeff, what do you think? This is fairly early in the administration and I saw my life flash before my eyes. (Laughter) And I said what I thought,

which was basically 180 degrees opposite of what the secretary felt in this particular instance.

And then this was as we were going into a meeting with Hu Jintao. And as the meeting ended, Secretary Clinton grabbed me by the shoulder and explained what her reasoning was and, I mean, you know, I'm a huge fan of Secretary Clinton, but she was, you know, not the sort who would hold that against you. She expected that.

But in terms of policy, I think that Barack Obama had somewhat formed views on economic issues vis-à-vis China, somewhat formed and somewhat hard. He was skeptical that the current tools that we have to protect U.S. interests in the relationship and in particular the World Trade Organization Agreement, which, you know, I negotiated provided sufficient protection for our interests. And we had numerous meetings. As I said, President Obama invariably invited me to go first when I went in there. The one time he didn't was I went in for a meeting and he said I want to tell you what I think about economic issues. And I got a lengthy, rather hard account of his impressions of what he was hearing from the business community, and the inadequacy of what I had offered him so far to deal with it.

You know, one of his most senior advisors and friend said to me during a dinner once that, well, let's say he/she had known him for 20

years and had never once heard him raise his voice. And in my two and a half years, to even break that record. It wasn't that he didn't get edgy. You knew when there was some edge, and I was on the receiving end of a couple of remarks suggesting that my presentation was not perfect, but there was never a discomfort about saying things to him.

I guess the only other thing I'd say is on Southeast Asia, of course, he had a background when he was a child. He lived in Indonesia in his youth. I remember his first phone call to President Yudhoyono of Indonesia. He greeted him in Bahasa and spoke to him at some length in Bahasa. And then I remember when we had breakfast with President Yudhoyono in Toronto, the Indonesian press coming in and President Obama greeting them in Bahasa. And, you know, usually when an American speaks an Asian language, in my experience they smile and laugh. They did not smile and laugh. They just responded in Bahasa. (Laughter)

And President Obama leaned over to President Yudhoyono and said, you know, I speak Bahasa with a perfect accent, which struck me as an unusually boastful thing for President Obama to say. And then he added immediately, of course, I have the vocabulary of a six-year-old. (Laughter)

MR. INDYK: Explain this warm relationship with the

president of South Korea. I mean, President Obama is known for his aloofness. I don't know whether that's accurate in your view, but that's certainly the impression that has been created, and that he has cool, distant relations with many of the world leaders, particularly some of our closest allies in Europe, not to speak of Bibi Netanyahu, but that's another story. (Laughter) But what went on here? Why the exception here?

MR. BADER: Well, I think two things. First of all, Obama's relationships with other heads of state, in my experience, tended to be substance-based. He was not someone who was, you know, looking for best friends. He had plenty of friends. You know, he had his private BlackBerry, which he worked very hard to keep, because he wanted to have kind of a personal life with personal friends separate from his Oval Office life, which was probably an illusion, but I think that's the way he conceived of them, of his relationships.

So the relationship with Lee Myung-bak, in the first instance, it was substance-based. As Ken suggested, Ken suggested that we followed South Korea's lead in many respects. I would put it somewhat differently, but I don't fundamentally disagree with the point that Ken was making, that South Korea under Lee Myung-bak had a series of policies and an approach towards North Korea that very much coincided with our thinking. So there was a natural policy comfort there that -- you know, for

instance, with Yukio Hatoyama, who was very much absent.

The second thing, I remember our first trip to Korea, President Obama at lunch with Lee Myung-bak. Lee Myung-bak told a story of his youth and being a child and I guess it was, if I can remember, it's the time of the Korean War. And Lee Myung-bak, you know, was subsequently chairman of Hyundai, but he was a poor child. He was basically starving as a child. And he told the story about being in a line where American GIs were giving out blue jeans. And he was a shy, small, modest child and he was at the end of the line, and by the time he got up to the front of the line all the blue jeans were gone and he never got his blue jeans. But then he said, but, you know, the Korean people are more grateful to the American people than any other people in the world. We have had experience with Americans in ways that no other people have. And he went on to articulate that at some length. And it was clearly very moving to Obama. It was personal, it was unscripted, and, you know, when you hear from someone that we love America not because we have to, but it's in our DNA and in our historical roots, it makes an impression.

And President Obama frequently used to cite Korea -- not just Lee Myung-bak, but Korea -- as a model. And I think that Lee Myung-bak deserves a lot of credit for sort of penetrating that reserve that you mentioned.

MR. INDYK: So did the President send him some blue jeans? (Laughter)

MR. BADER: A nice gift.

MR. INDYK: Blue jean diplomacy, no?

MR. BADER: We missed that (inaudible).

MR. INDYK: Fascinating. Ken posed a number of questions that I thought were particularly interesting and I want to bring Ken into this discussion before we go to the audience. There's that question he raised about what happened between 2009 and 2010 that led China to be more assertive? Was it all about perception that Ken has argued in a book that we just wrote together that we were declining and they were rising and they could afford to be more assertive?

MR. BADER: Yeah, I think this is a really hard question to answer and I don't have -- I don't purport to have the definitive answer. I just offer a few observations on it.

First of all, I think the answer is yes to what Ken posits about, a sense of U.S. decline and distraction in the wake of the financial meltdown in 2008, also associated with what they saw as our preoccupation with Iraq and Afghanistan, and the general sense that we were declining and on the wrong track. So I think that is the case. And I think that there's all this literature about China's rise that was, you know,

omnipresent. And I think a lot of Chinese started to believe their own press clippings and decided -- some of them argued that our time has come. I don't think that was the leadership view.

The second point I'd make is the Chinese assertiveness in 2010, I, frankly, don't see as a concerted, from-the-top policy directive. I see it as a series of different discrete events that occurred within the context of this feeling of assertiveness and the sense of U.S. decline. You know, in the case of Korea, it had very much to do with Kim Jong-il's health. With Kim Jong-il's stroke, a sense of instability in North Korea and a feeling that they had to shore up North Korea to prevent a collapse on their border. And so that's why they indulged bad North Korean behavior, which we pushed back very hard on.

The South China Sea, that, I don't believe, was a leadership decision. There was a long-term trend towards a greater PLA presence in the region and a growing number of incidents, but that was a matter of years, not a sudden thing. And, in fact, we chose to highlight the issue, not the Chinese by highlighting the way we did, the way Secretary Clinton did in Hanoi.

The Yellow Sea, you know, trying to stop our ships from going into the Yellow Sea, that was driven mostly by the blogosphere. And I think it was very self-defeating for the Chinese because we went

ahead and did what they told us we couldn't do, and that is not the way a great power should behave.

So, you know, I think it's ultimately unknowable. I don't believe -- you know, Ken is absolutely right when he says that in the first year we worked to avoid the mistakes of previous administrations. I won't regale you with the mistakes of 1980 and 1992, and to a lesser degree 2000, which got us off to bad starts in relationships, and we worked very hard to avoid that. But I guess proving the old adage that no deed goes unpunished, having done that, some then say, well, you demonstrated weakness and excessive accommodation in your first year, which encouraged their bad behavior in the second year. That's a long argument. It's a long discussion. I don't agree with it, but I do understand the argument.

MR. LIEBERTHAL: If I could just add a note to that. I think that the way these two fit together is that in the popular sentiment in China -- and I think popular, shared also by a lot of officials, not necessarily, you know, Hu Jintao, but not solely at a grassroots level -- I think there was a sense that China has been very effective in dealing with the financial and economic crisis. The West is on its back, along with Japan. And at a minimum, China no longer needs to be as deferential, to keep its head as low as it has traditionally done. Deng Xiaoping had said essentially, you

know, keep your head low and plow along and, you know, cultivate your own backyard. And now there was a lot of pressure not to sit back. When there were things where China felt strongly about it, you ought to say it. And I think that that contributed to this kind of outcome that we're discussing here.

MR. INDYK: Why is there such a neuralgia to the use of the word "pivot" to describe this new strategy? And where is that coming from? Where's the pivot coming from if it's not coming from the basketball President?

MR. BADER: I was once in a meeting with the President where he was greeting the leaders of the Chinese Strategic and Economic Dialogue. It was Wang Qishan and Dai Bingguo. And when we briefed the President before the meeting, Tim Geithner mentioned that Wang Qishan was a good basketball player. And I remember the President making a motion, you know, oh, he's one of these guys who shoots like this or does he have a nice jump shot? And Tim said, don't know.

So anyway, he came to the meeting. We had a nice meeting. And about two-thirds of the way through the meeting the President suddenly got up and said, excuse me for a minute, and left the Oval Office, which, I think, it's probably a pretty rare event leaving a couple of visitors sitting there in the middle of a meeting. And he came

back two minutes later with a basketball. It looked like an old ABA basketball, one of these multicolored basketballs. And he had written on it, "To Vice Premier Wang, May our teamwork always be a credit to both of us," or something, some wonderful inscription. And Wang was, you know, totally touched and then demonstrated his own jump shot for the cameras, and it was a modern jump shot. (Laughter)

MR. INDYK: It was a real jump shot.

MR. BADER: It was a Jeremy Lin jump shot. (Laughter) And it was a great picture. So, yeah, the President is a basketball fanatic.

But "pivot," that word did not originate in the White House. It originated in another building. And here, again, I will fall victim to Ken's charge that I'm excessively discreet by not identifying that building on 23rd Street or 22nd Street. (Laughter)

MR. INDYK: There tends to be a lot of fog around there.

MR. BADER: And --

SPEAKER: What are the initials? (Laughter)

MR. INDYK: Okay, Jeff.

MR. BADER: When I took shots at the present book, Chris, you were excepted.

MR. LIEBERTHAL: Okay, Jeff, which floor of the building? (Laughter)

MR. BADER: It wasn't the first. It wasn't the second.

But anyway, I mean, look, I dislike the term. The White House -- and I told my friends both in that unnamed building and in the White House I dislike the term. To me it has an excessively militaristic sound. You know, if you're talking about going from Iraq and Afghanistan, where our presence has been overwhelmingly military, to the Asia-Pacific, that's not the right image to project of what the President has been trying to talk about in the region. He's been trying to talk about a multifaceted U.S. presence in the region in which, frankly, the military presence is not going to be increasing. If you leave aside this Australia deployment, it's basically flat.

So some in the White House have used the term. Some in this other building have used it more. I think the term is -- you know, Tom Donilon uses the phrase "rebalancing of U.S. priorities toward the Asia-Pacific." I always preferred that. I felt it was -- it's less sexy, it's less eye-catching, but I think it's more accurate.

MR. LIEBERTHAL: If I could just add a word to that. There's another problem with "pivot" to my mind. "Pivot" suggests that we had abandoned Asia and now we're pivoting back there and are going to abandon the Middle East, and neither of those is accurate.

And then secondly, if you pivot to a place, you can obviously

pivot again away from it. And, in fact, we have a longstanding, huge position in Asia, not one we're about to abandon and not one that we ever did abandon, although we focused more on the Middle East. So "pivot" is just the wrong imagery in every dimension to my mind.

MR. INDYK: Okay, let's take your questions. I'd like you to wait for the microphone. Please identify yourself and please ask a question.

MR. NELSON: Thanks very much. Chris Nelson of The Nelson Report. Jeff and I have been friends since the Holbrooke days and we had the fun of shepherding from (inaudible) the Taiwan Relations Act through the House, which was an adventure and a half. And watching Dick work that one was an education for both of us.

I wanted to ask you two questions. Perhaps because we've been friends for so long you kind of had to answer my phone calls once in a while. But I appreciate that because it showed that you understand that policy-making is a conversation and a lot of people are involved in it, not just the two or three people in the NSC or in the White House. And that's not that common, in this administration especially, the understanding that a -- this stuff is hard and if you don't talk about it and toss it back and forth, you're going to get it wrong. So thank you for that.

I remember during the '08 campaign you played a

considerable political role, sort of unusually for a policy person, because you were surrogate speaker for then-Candidate Obama and would appear at things like this to explain what you thought Obama policy would be. How much do you think the way China policy especially was talked about during that campaign ended up affecting you or tying your hands or not? And how would you contrast that with what we're seeing now? And are you worried about changes of tone or setting of traps that people might regret?

And I better leave it at that before I get too -- but thanks.

MR. BADER: Yeah, thanks, Chris. I should have alluded to our time together in the 1970s. I remember well when you were with Lester Wolf.

If I were still at the White House and you made that comment about my openness and friendliness toward the press, I would receive a few angry phone calls in the morning.

MR. NELSON: I wouldn't have said it if you were still there.

MR. BADER: Thank you for saying it now. You know, the tendency towards control in White Houses is not new in this administration. I think it's fairly well-formed. I would predict in future administrations it will be even more formed. It's partly a function of the -- it's not only a function of White House paranoia, which is, of course, you

know, in the water there, but it's in the nature of the way our media are evolving now.

I mean, you know, 20, 30 years ago, there were a few journalists who you cared about who were top-notch. They were the Bernie Gwertzmans and the Don Oberdorfers, and you talked to them and you'd know you'd get fair coverage. And now there's 9,000 outlets of which about, you know, 8,990 are looking to make a name and about 10 are looking -- well, I shouldn't say this, but the number looking to get it right as opposed to those who are looking to get attention, the ratio is not a great one.

In terms of the campaign, yeah, I mean, my approach in the campaign was very much driven by my experience in watching 1980, 1992 in particular. And I was -- you know, I suppose you can accuse me of fighting the last war. I was determined not to make those mistakes where presidential candidates had made commitments, highly specific commitments, to what they were going to do. And then I've had both damaged U.S.-China relations and damaged U.S. credibility as we inevitably had to walk back from the commitments that those candidates had made. So I was determined not to make that particular mistake.

So, you know, in what we said during the campaign, I don't think we ever took a shot at the Bush administration on China, if I

remember correctly. I don't think we ever did. And we were, you know, generally, frankly, respectful of Bush administration policy towards Asia. I can remember late in 2008, two major decisions: the Taiwan arms sale announcement and the decision to remove North Korea from the Trading with the Enemies Act. I remember in one case Secretary Rice called us and asked us not to criticize. In fact, we didn't. We made statements supportive in both instances. Candidate McCain criticized both.

So I was, you know, very conscious of not wanting to trap us and also I have a strong feeling about the bipartisan character of foreign policy. I mean, I've worked for a succession of Presidents, succession of administrations, not as intimately, but I feel that's what foreign policy should be.

Now, what's happening in the current campaign, I fear that when candidates make highly specific statements about what they intend to do, it's a mistake. Now, I don't think that you can take politics out of China and China out of politics. I think that's an illusion that some of us in the China priesthood have that should be discarded. But when you're highly specific, you better be prepared to live with your highly specific comments because you're either going to have to do what you said with the consequences or you're going to have to walk away from it. And, you know, a President that I worked whom I greatly admired, Bill Clinton, did

both. He had to live with what he said and he had to walk away from it.

MR. INDYK: But he did it so skillfully. (Laughter)

MR. BADER: He's a great man. I love him. But, you know, that's -- so that's my thought on that question.

MR. INDYK: Okay. There's one question over here.

MS. BLOCH: Julia Chang Bloch of the U.S.-China Education Trust. I have a somewhat perhaps indiscreet question.

I think there is considerable opinion that Secretary Hillary Clinton is the star of the Obama cabinet. I wonder whether you can comment, Jeff, whether the President shares that feeling. (Laughter) And perhaps you can also share with us a bit more on that relationship, both from a personal level and from a policy level, particularly with respect to Asia.

MR. BADER: Okay. I mean, first of all, yeah, I think the world of Hillary Clinton. I think she's done a terrific job. You know, in my exposure to her, in the presence of the President or in Principals Committee meetings, which was not infrequent, she was an important voice. You know, there were a few strong actors in this cabinet. Bob Gates was not a shrinking violet. You know, Leon Panetta, there were a few others who -- and her deputy, Jim Steinberg, was a very powerful actor in Principals Committee meetings and Deputy Committee meetings,

which he attended. And Secretary Clinton did nothing to muzzle Jim.

I never saw -- you know, obviously we came out of a campaign where we were in warring camps, okay? And then Secretary Clinton set up a State Department and asked for and received essentially carte blanche to name people of her choice in the department. And people in the White House, many of us, most of us, were from Camp Obama. I mean, that was just a fact of life.

You know, when Ken talks about how I didn't get into some of the frictions and rivalries that much, it's true. But I make a distinction here. There were not, in my experience, fixed ideological camps within the Obama administration such as there were in certain unnamed other previous administrations, such as the one that immediately preceded it. Okay?

When you had a meeting in the NSC or a Principals Committee meeting, people would say things all over the place. And as Ken indicates, there would be arguments and somewhat fierce arguments, but they were not predictable. Okay? What Secretary Clinton would say or what Bob Gates would say did not come -- you didn't know what they were going to say or where they were going to be coming from until it happened.

Now, my experience with Secretary Clinton was that she had

her -- you know, one of the sort of dominant factors in decision-making was the axis basically between her and Bob Gates. They agreed very substantially and, you know, when those two had spoken on an issue, they generally spoke in unison and generally were supportive of each other. The secretary had regular meetings with the President. I think the schedule is something like once a week for regular meetings.

You know, I traveled with Secretary Clinton on all of her trips to Asia. I was treated as, you know, a member of the family. I was included in all private meetings. You know, I would call back, you know, at 1 a.m. from a secure line in some embassy somewhere to report on what happened each day to the White House and the NSC. And, you know, frankly, I saw my role as a bridge-builder and as someone to keep the two horses moving in the same direction, not as someone who should say you won't believe what she just said. (Laughter) You know, I never did that. It would never occur to me to do that.

And I know I've turned your question more into about me than about her, but I'm trying to describe basically how the relationship worked.

MR. INDYK: We didn't notice that.

MR. BADER: In my experience, the relationship worked well and her relationship with Tom Donilon worked well.

MR. INDYK: Do you want to just respond to the last question that Ken put in his remarks, which was about now, about the nuance, if you like, or differences between those who would have an overall strategy to the region that includes a cooperative relationship with China and those in the administration who see the approach as more of a containment of China?

MR. BADER: I mean, I think that's a great point Ken made about, you know, describing it not as a sort of fixed camps, but as an important nuance. I think Ken's right. I think that there are -- mostly the lines tend to be institutional rather than personal. I mean, I think people at Pacific commands and in the Defense Department have a constitutional and an institutional obligation. Look, you know, if the balloon ever goes up in that part of the world, they're the ones who have to deal with it. And so, naturally, they tend to look at the dark side. They tend to envision dangerous scenarios and tend to read intentions with a more jaundiced eye than people in other parts of the bureaucracy.

So I think -- and I'd say, additionally, they're uncertain of the economic agencies. There's, you know, a greater emphasis on the competition with China than on the potential, cooperative elements. So I don't disagree with -- I think Ken's on to an important point there.

MR. INDYK: Okay. Let's take one last question here, the

gentleman with his hand up here. Yes.

MR. ROBERTSON: Hi. My name is Matthew Robertson. I'm with the *Epoch Times* newspaper. I had one question just about human rights. What was President Obama's view on human rights in China in the two years you were there? And what did he feel personally about what America could actually do?

And the other was sort of a broad question. And it's was there ever the idea in the administration that at the current point of China's development, with its global integration and all the rest of it, that it's kind of time that China would be better off without a Leninist party apparatus and that the U.S. should do something to help that evolution? Was there ever that idea in U.S.-China thinking?

MR. BADER: Well, you know, they never asked us to vote in the Party Congress on whether they should continue their Leninist system. I mean, that's -- you know, of course, I would prefer and the President would prefer and the secretary of state would prefer that they not have a Leninist political system. For 40-odd years those of us who have been dealing with China, none of us has found the magic bullet to deal with that. And every President and every secretary of state has come to the same conclusion that: number one, it's important to deal with China on global and strategic issues; number two, our ability and the welcomeness of the

Chinese people to our deciding on their political future is distinctly limited. So I think that, you know, this is an interesting intellectual argument to have, but, you know, for the last eight administrations and the next few administrations I suspect it's not going to be a real argument.

As for human rights, human rights is a central aspect of U.S. policy globally and of U.S. identity. And the President, perhaps arguably more than any President in history, is a product of the U.S. advocacy of and protection of human rights. So he did not need anyone like me to tell him, you know, human rights is important and he understood the issue well.

He also, having grown up, as I say, a little bit in a Third World country, had a real sense for poverty and for how developing countries -- how people actually live in developing countries, and for the, if you will, the staging of development, that development is not just about the first amendments to the Constitution, but it's about a lot of other things.

So with the Chinese, in every meeting he would talk about the importance of human rights to us, importance of human rights globally, and he would raise specific issues. He raised the Tibet issue regularly, talked about the importance of resuming a dialogue with the Dalai Lama. He talked about political prisoners. He talked about freedom of expression. Privately he talked about specific individuals. He made a

very strong statement, I think he was -- I don't know if there were any other world leaders who made any statement about the Nobel Prize award -- thank you, Wegger -- to Liu Xiaobo.

MR. INDYK: Independent committee, it's not the government.

MR. BADER: Excuse me, that's right. Important to remember.

And, you know, the Chinese actually -- I mean, some Chinese leaders actually thought that President Obama -- Secretary Clinton had called up the Nobel Peace Prize committee to demand the award be given to Liu Xiaobo, you know. And Wegger assures me that was not the case. But it was an important part of our policy, but we all understood the limitations in our ability to affect human rights in China.

MR. INDYK: Well, that brings us to the conclusion of a fascinating discussion. I want to thank both Ken and Jeff for making it so, and congratulate Jeff again on the publication of the book, his appointment as the John C. Whitehead senior fellow, and for doing us the honor of coming back to Brookings. Thank you all very much. (Applause)

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