AMB. J. STAPLETON ROY, Chairman, U.S. Asia Pacific Council and Director, Kissinger Institute on China and the United States, Woodrow Wilson International Center for Scholars: Our next panel will deal with U.S. alliances and partnerships in the Asia Pacific. We are very fortunate to have special remarks to lead into the panel by the Hon. Chip Gregson, who is the assistant secretary of defense for Asian and Pacific security affairs.

Nobody can speak more authoritatively on this subject than Secretary Gregson. I could have introduced him as a lieutenant general in the U.S. Marine Corps, Ret. He has earned a Bronze Star and a Purple Heart fighting to defend U.S. interests in Vietnam. He went on to become the director of Asia Pacific security policy in the office of the Secretary of Defense.

Secretary Gregson has been the commanding general of United States Marine Corps forces in Japan. He has been the commanding general of United States Marine Corps forces in the Pacific and in the central command. Secretary Gregson has earned separate masters degrees in strategic planning and in international relations. He is exceptionally expert on the Asia Pacific region and I ask you to join me in welcoming him.

HON. WALLACE “CHIP” GREGSON, Assistant Secretary of Defense, Asian and Pacific Security Affairs: Thank you, Amb. Roy, for that wonderful and generous introduction. My mother would have been proud. My wife knows better.

And thanks to the Asia Pacific Council for inviting me here today. It’s a special pleasure to be here for this annual conference on the occasion of the 50th anniversary of the East-West Center. I feel a special affinity for that center because I first became aware of it when I was working in the Pentagon in the late 1990s. Three very earnest visitors showed up with the rather fantastic idea that we should create a scholarship with U.S. support for Okinawan students to study in the United States. And as those of you who are familiar with our building know, coming up with a last minute request for more money is always a bit of a challenge.

Then I transferred overseas in the year 2000 and one of my first official duties was to attend a ceremony held in Okinawa. It was on the occasion of the Obuchi-Clinton Summit, when the announcement was made about the Obuchi fellowship for students to study at the East-West Center.

And that’s where I first became aware of the work of Dr. Charles Morrison and wonderful individuals like Bob Nakasone and others.

Then when I transferred to Hawaii, I had the occasion to host the Okinawan fellowship participants at my quarters a few times. We were able to support the efforts of the East-West Center in the educational area. So I’m proud to say that that scholarship is still in operation and I think it’s one of those wonderful connections across the Pacific that we’re talking about here today.

Looking around the room I see many friends and col-

continued on page two
leagues and former acquaintances both on the stage and in the audience. I have to report that I’m the most surprised person in the government that I’m back in the government.

When I retired from uniformed service in 2005, I thought, like Napoleon coming out of Moscow, that I successfully burned all those bridges that could bring me back to the government. I was made an offer that I could not refuse to come back to my current. It’s the only job I can think of that would have tempted me to come back to federal service. I’m sure I’m not the only one surprised that I’m back in government but I’m quite sure that I’m the one that’s most surprised.

There’s an awful lot of people here who deserve a great degree of gratitude for what they’ve done over the years and continue to do to develop U.S.-Asia relations from each direction. Three of them I see here in the audience, Dr. [Sheila] Smith, Amb. [Stephen] Bosworth, and Amb. [Kim] Beazley. I’ll finish my remarks expeditiously so you can go at it with the real experts who can explain what I was trying to say or what I should have said.

Establishment of East-West Center

When the East-West Center was created in 1960, it was a really novel idea to establish an institute that would allow intellectuals from each side of the Pacific to come together and engage on equal terms. The decision to establish the center in Hawaii was a strategic one and an explicit recognition of some important facts—first, that location matters. America’s position as a resident rather than an extra-regional Asia Pacific power is essential to our relationships in the region. And by being resident in the region, by allowing people to meet each other halfway as it were, we’re able to have the kind of dialogues and build the kind of relationships that can never be equaled by merely dropping in for a visit.

Providing opportunities to foster educational ties, continuous dialogue, and friendships between up-and-coming leaders across the Pacific is essential for continued security in the region. In 1960, the need for open dialogue and cooperation was obvious.

Uncertain Times in Asia

The 1960s and 1970s were an uncertain time in the world, to say the least, especially in Asia. The armistice on the Korean peninsula was still tenuous—some things don’t change—tensions between North Vietnam and South Vietnam were growing, the People’s Republic of China was enmeshed in a brutal period of domestic turmoil, and the memory of World War II continued to engender mistrust between Japan and many other countries in the region. It was a period of time that was pivotal in Asia’s history because it was uncertain whether the region would step forward toward peace, democracy, and stability or devolve into chaos and poverty.

Tectonic Shifts Creating New Uncertainty

Since that point, the overall trajectory of the Asia Pacific region has been clear. For the past few decades, Asia has enjoyed a period of unprecedented peace, prosperity, and stability. Today Asia is home to some of the most dynamic, rapidly evolving nations in the world. Yet while this dynamism continues to fuel tremendous progress and growth there are also tectonic shifts taking place in the region to create a continued sense of uncertainty. There are demographic shifts as new generations of regional leaders step forward, rising regional powers, domestic political upheavals, and rapid military modernization.

Threat of Conventional Conflict

The continued threat of conventional military conflict also feeds this sense of uncertainty. Asia is home to four of the world’s five largest military powers and some of the world’s most advanced military capabilities. In a region where such tremendous military capacity combines with ongoing territorial disputes and contested sovereignty claims, the potential impact of a large-scale conflict would be unprecedented in scope.

The Asia Pacific region is also contending with an entirely new range of threats. These include the challenge of rising powers and failing states, the proliferation of nuclear and ballistic missile technologies, extremist violence, and new anti-access capabilities that have the potential to prevent open access to the global commons upon which Asia’s economic stability depends.

Pivot Point in History

So we once again face a pivot point in history and once again it will be the strength of our regional alliances and partnerships that will help deter conflict and protect stability in Asia. Because we face a far more complex range of threats, the strength of our mutual commitments is more critical than ever before.

The threats we face in Asia can no longer be contained by borders or stopped at the water’s edge. These threats are not any one nation’s alone nor does the responsibility to counter these threats belong to any one nation alone. Just as we all have a shared interest in ensuring continued peace, prosperity and stability in the region, we must all share in the responsibility for maintaining this peace.

As Deputy Secretary of State Jim Steinberg noted, with “greater voice comes greater responsibility”— responsibility for policing the global commons, for con-
tributing to global economic growth, and for showing leadership in addressing transnational international problems that require the cooperation of us all.

Foundational Relationships

Just as we have for the past half century, America will address these problems together with our security allies and partners. These relationships continue to provide the foundation for our presence in Asia, but presence alone is not enough. If we are to successfully meet the challenges ahead, we must bring a renewed sense of purpose to the concept of regional cooperation. True and equal partnerships require shared trust, shared responsibilities, and shared exchange of ideas. It is these types of partnerships that must serve as the foundation for Asian security in the next century.

I’d like to say a few words about what the region should expect from the United States and what we will expect of our partners as we strengthen and deepen our cooperation in the years ahead.

Trust in U.S. Commitment

For the United States our first obligation is to instill trust in the value of America’s security commitments. First and foremost our regional allies and partners must be assured of our immutable commitment to Asia and the

The most tangible manifestation of our commitment is the continuous forward presence of U.S. forces in the region

continued strength of our deterrents against a full range of potential threats and aggression.

The most tangible manifestation of this commitment is the continuous forward presence of U.S. forces in the region. The presence of U.S. forces and their families in Asia provides the strongest signal America can provide of our unwavering commitment to defend our friends and allies in the event of a crisis.

Our commitment also extends beyond our forces to the critical deterrent capabilities the United States provides in the region. The Department of Defense recently issued a series of strategic reviews which acknowledged that regional nuclear and ballistic missile threats are clear and growing.

Nuclear and Missile Threats

Actors such as North Korea have ballistic missiles that threaten U.S. forces, allies, and partners. China also continues to modernize its arsenal of nuclear and nuclear capable forces and is developing and fielding large numbers of advanced conventional short- and medium-range ballistic missiles as well as long-range land-attack cruise missiles. These are capabilities that have consequences for regional stability and China’s relative lack of transparency raises a number of legitimate questions regarding its long-term intentions.

In response to these and other similar challenges the United States is taking a series of steps to strengthen our deterrent capabilities. In the recently released Ballistic Missile Defense Review, the Department of Defense announced our commitment to enhancing our regional missile defenses and developing missile defense assets that are flexible, deployable, and tailored to Asia’s unique needs.

The Nuclear Posture Review also reiterated our continued commitment to maintaining a safe, secure, and effective nuclear arsenal. Although the Obama administration is firmly committed to reducing the role of nuclear weapons in the world, as long as nuclear proliferation and the threat of nuclear attack remain realities, we will not waver in our resolve to maintain a strong, extended deterrent that guarantees the defense of our allies and partners.

Importance of Dialogue

Next is dialogue. Building deeper partnerships will require a greater willingness to engage in a wider and more candid exchange of ideas. Far too often the United States is viewed as coming to our Asian partners with demands to define the region’s security in our terms. Instead we must do a better job discussing and listening to each other’s views, recognizing that our common interests are far greater than our differences.

It will also be essential that these conversations are not only bilateral but also multilateral in scope. Our bilateral relationships will be stronger and our cooperation more effective when they are complemented by multilateral engagement to confront regional security threats.

New Regional Forums

Increasingly our Asian partners are taking the lead in developing a range of regional security initiatives and forums. We welcome this development. In fact, both President Obama and Secretary Clinton have stated their commitment to engaging more actively with Asian regional forums. The United States is committed to working with our bilateral allies and partners to strengthen these institutions and imbue them with the necessary support and legitimacy to bring practical solutions to shared regional problems.

Finally, beyond the strength of our commitments in times of crisis, America has a responsibility to be a reli-
able and consistent partner in times of peace. The greatest strategic advantage the United States holds over other potential security partners is our proven ability to support our allies and partners in building their own capacity and capabilities.

Support in Times of Peace

We support this mission in various ways, through the provision of top notch hardware and technologies, world class educational opportunities, and first-rate combined training opportunities. For the past couple of years this mission has been an increasing focus of our security in Asia. Yet the value of this support is degraded when we cannot provide it in a timely or reliable manner.

If we are to build deep and enduring partnerships we must assure that this assistance is reliable and that our partners know we will not be only a fair weather friend. As Secretary Gates stated, convincing other countries and leaders to be partners of the United States, often at great political and physical risk, ultimately depends on proving that the United States is capable of being a reliable partner over time. Far too often this has not been the case.

Improving Security Assistance

Secretary Gates recently outlined his commitment to making reforms in a few critical areas that will better enable the United States to be a more consistent and reliable partner to our friends in the region. First, we are committed to improving our security assistance mechanisms. Simply put, our traditional assistance mechanisms are simply not flexible enough to reliably respond to emerging needs. Moreover, over the years America has been overly prone to simply turning this assistance on and off every time another nation takes an action we do not agree with.

Of course, the necessary corollary to America’s support is the commitment of our partners and allies to maintain the standards of professionalism and respect for human rights that are expected of responsible partners in the international system. In recent years it has become frustratingly clear that America has paid and continues to pay a high cost in threats to our long-term security interests as a result of the failures in our security assistance system.

For example, from 1992 to 2005, the United States did not provide for any military training or education for Indonesia. During this time we lost the ability to train no less than 100 Indonesian military officers every year, effectively creating a lost generation of Indonesian leaders.

In November 2009, President Obama and President Yudhoyono announced their intent to build a new comprehensive partnership between our two nations.

Although we are making promising strides and deepening our security cooperation, this task is complicated by the absence of closer ties over the past decade. Indonesia’s story is not unique. In many countries we face a demographic shift in the coming decade as a new generation of leaders move into power, leaders who in many cases have very little experience with the United States, our values, or our institutions.

Reforming Export Controls

The second important area of reform is in the area of export controls. As we strive to work more closely with our allies and partners they must be able to obtain the necessary technology to take a greater role in self defense and regional affairs. Moreover, we must be able to provide for interoperability between American and allied forces, which has been a vital component of our alliance cooperation over the past 50 years and will remain so in the future.

As Secretary Gates stated, when trusted allies like Australia and South Korea are unable to maintain and repair platforms that provide support to U.S. forces abroad and in the region simply due to onerous technology control processes, America must change the way we do business. The Obama administration’s proposals for export control reform will greatly improve our ability to work and fight alongside our Asian partners and share essential technologies that we all require in order to counter common threats.

But our commitment to trust, dialogue, and reliability must be reciprocal. Without a shared interest in these goals, our alliances and partnerships cannot succeed. So as the United States builds new Asian partnerships and deepens and expands old ones we will be explicit about this expectation. America will provide greater support to our partners and we will in turn expect more in return.

Improving Transparency

Because all nations in the region have an interest in deterring regional conflict and aggression we will look to our allies and partners to demonstrate a shared commitment to promoting transparency and trust. This transparency will be especially vital as nations across the region continue to develop new capabilities that could be used to threaten the openness of the global commons.

In recent years Asian nations have moved quickly to acquire greater capabilities in air, space, cyber, and maritime domains. China’s successful 2007 anti-satellite missile test spurred several other nations, including India and Japan, to declare their intent to prepare for challenges in space.

Actors inside nations such as China, Russia, and North Korea are increasingly engaging in troubling acts...
of cyber warfare. And in the maritime domain nations across Asia are rapidly acquiring a range of new naval capabilities.

The development of these capabilities is not inherently problematic. In fact, the ability of so many Asian states to participate in anti-piracy efforts in the Gulf of Aden and increasingly further asea in the Indian Ocean highlight the benefits that increased regional capabilities can provide.

At the same time as our partners in the region develop new military capabilities they have an obligation to ensure development occurs in a manner that is transparent and responsible. We will also look to our partners not only to conduct their own affairs in an open and transparent manner but also to take responsibility for promoting greater transparency and accountability across the region.

Second, we will look for a greater commitment to open and transparent dialogue from our partners both in bilateral discussions as well as in multilateral forums. In the coming years we will increasingly look to our partners in the region to take the lead in promoting dialogue not only with the United States but with each other.

Assuming Greater Responsibility

Finally, we also expect that as America fulfills our commitment to building greater partner capacity our partners will in return take greater leading roles in their own defense and in regional and global security affairs. We are already encouraged by the trends we see developing in this area.

Over the past several years our Asian allies and partners have played and continue to play an invaluable role in supporting U.S. efforts in Iraq and Afghanistan. To cite just a few, Australian and New Zealand forces continue to serve valiantly in some of the more difficult parts of Afghanistan, Japan has been one of the largest international sources of development assistance to the Afghan government, and the Korean hospital established right outside of Kabul is helping us save lives and build Afghan medical capacity on a daily basis.

As more and more partner nations obtain greater capabilities and security expertise we expect that they too will play a greater role in a broad array of global security affairs. Moreover, as more advanced partners in the region increase their capabilities, we hope that they will in turn provide assistance and training to our less experienced Asian partners.

Recalibrating Partnerships

Finally, the United States and our partners face an incredibly important series of choices in the years ahead. Together we have discussed for many years the need to recalibrate our partnerships to develop a broader set of roles, missions, and capabilities that can address a wider range of complex security threats. Our ability to implement this commitment will be the truest test of our mettle in the next several years.

Our alliances and our partnerships must foster real patterns of cooperation built on mutual trust, mutual responsibility, and mutual exchange of ideas. By creating these types of partnerships, we will ensure that these relationships have tangible meaning, depth, and value for the next generation of leaders—the same value they have had for those of us who were there on the ground floor.

Many young people on both sides of the Pacific know so little about each other and about the history of America’s involvement in Asia and about the genesis of the relationships we have built over the years. While I think it’s valuable for our young people to understand how we got here and why these partnerships were created, what I think is absolutely essential for them to understand is why we stay and where these relationships are going.

Responsibilities of Next Generation

Because it is this next generation that will inherit the mantle of responsibility for the relationships we have built. They also will inherit a wider range of security challenges that is far more complex than the ones the region faced 50 years ago. We owe it to them to demonstrate that our alliances and our partnerships are far more than Cold War relics or flowery words and photo-ops and that these relationships are the fulcrum upon which the security of the region depends.

In this regard I’m exceedingly grateful to the East-West Center and the U.S. Asia Pacific Council for all the work that you do. It has been and will remain critical to helping us achieve that goal. Thank you very much. ♦

Panel Discussion

Moderator:
Amb. J. Stapleton Roy

Speakers:
Amb. Kim Beazley, Ambassador of Australia to the United States
Amb. Stephen W. Bosworth, U.S. Special Representative for North Korea Policy
Dr. Sheila Smith, Senior Fellow, Council on Foreign Relations

ROY: Thank you very much, Assistant Secretary Gregson. We are fortunate to have an exceptionally strong panel to deal with the question of U.S. alliances and partnerships in the Asia Pacific. Dr. Sheila Smith is a

continued on page six
Senior Fellow for Japan Studies at the Council on Foreign Relations. She’s done extensive work and research in the region. She’s an expert on security relationships in the Asia Pacific and has a special focus on Japan security, planning, and on domestic politics in Japan. Dr. Smith knows that area very well and has published on the subject.

Amb. Bosworth is well known to many of you. He is the U.S. Special Representative for North Korea Policy. He also is the Dean of the Fletcher School of Law and Diplomacy at Tufts University. Amb. Bosworth is a former ambassador to Korea and the Philippines. He has been the Executive Director of the Korea Peninsula Energy Development Organization. He knows that area as well as anybody.

Nobody has prepared more energetically for his position than Amb. Kim Beazley. He is a former Deputy Prime Minister of Australia. He was the leader of the opposition in Australia for over half a decade. Amb. Beazley has held too many minister positions to count, including Minister of Defense, Minister of Finance, Minister of Transport and Communications, Minister of Employment, Education, and Training, and Minister of Aviation.

I think he’s set an example that all countries should follow. Every Minister of Defense should also be the Minister of Finance. It’s a very useful combination of experiences. We’re very fortunate to have him on the panel as well. Amb. Beazley, please lead off the discussion.

BEAZLEY: Thank you very much, Mr. Chairman. In 1942 at this time there were engaged off the coast of Australia two American carrier task groups and an Australian cruiser squadron against a Japanese force seeking to make a landing at the capital of the Australian administered territory of Papua New Guinea. This engagement was close enough to Australia for land-based aircraft operating out of Townsville to be engaged in the action as well.

This concentrated Australian minds wonderfully on the potential of a good relationship with the United States. And ever since, Australians, to the slightly bemused but acquiescent activity on the part of American administrations, have commemorated and celebrated the outcome of the Coral Sea Battle.

Since then, but intensifying in the 1960s, the Australian-American relationship has been the bedrock of Australian defense. The Australian government sees a strong and prosperous United States both as critical to the security of Australia and vital to stability in the region around us. Therefore we watch closely every development in the American economy, every development in American strategic planning, every shift in what the Americans declare to be the most potent elements of the strategies they’re going to pursue.

We look carefully amongst those strategies to see whether or not sufficient priority is being accorded to defense of the independent security or freedom of access to the region around us, which just happens to incorporate some of the most vital trading routes in the global economy.

So when the United States suffers a setback or when the United States experiences economic difficulties, one place you can guarantee there will be no schadenfreude in commentaries about it will be in Australia. We do not regard those as useful outcomes at all.

Changes in U.S.-Australian Alliance

How have the circumstances changed in the lifetime I’ve been engaged in the political process? I thought about this a fair bit when I became Australian ambassador to the United States because the relationship between Australia and the United States has changed quite substantially from when I was defense minister—as the last Cold War defense minister of Australia—to this point now. That is a source of considerable surprise to me.

I thought it was pretty intense during the Cold War, when we were actively engaged with our American counterparts and when we hosted important joint facilities for the United States. But it is infinitely deeper now. It is a vastly deeper intelligence relationship. It is a much more intimate relationship aimed at ensuring the effectiveness of the weapons platforms that Australia acquires and operates essentially in its own defense but occasionally in relationship with the United States, and it is an infinitely more detailed conversation about the affairs of the region around us.

Robust Discussion About Disagreements

Why was it so? When I was defense minister, the relationship was often reflected in robust discussion about disagreements. We had a disagreement about whether or not Australia should pursue a self-reliant defense strategy. We had a disagreement about Australian lines on what ought to be done about Cambodia. There were sub-
stantial disagreements about various initiatives Australia was pursuing, like South Pacific nuclear-free zones. But at the end of the day, the Americans didn’t care very much about those disagreements—provided we hosted the joint facilities and did not interfere with them, made them more effective, and were prepared to operate with the United States elsewhere.

In comparison to today, what didn’t matter to the United States 20 years ago was the Southeast Asian political region where Australia was located. It was a strategic backwater during the Cold War. The flash points of the Cold War were Europe and North Asia. If our Southeast Asian allies went slightly off the rails from the American point of view, it didn’t really matter to Washington provided they did not go off the rails in the main game of the Cold War.

**Post-Cold War Changes**

Now, however, the Australian-American relationship anchors the southern tier of the centerpiece of the global political system. The driver of the global political system now is the East Asian economy, or more particularly the Asia Pacific economy. For the next century, this region will determine the prosperity and security of the total global system.

The character of the strategic significance of Australia to the United States has changed substantially, as indeed have all the relationships that the United States has with these nations. And, therefore, the dialogue that we now have on things like regional arrangements are immensely more important. The attitudes of Australia and other regional nations are far more important to the United States. The characteristics of this region and one of the reasons why there are so many initiatives out there to try and put in place substantial regional arrangements is without precedent in world history.

There has been a rapid, simultaneous rise of a substantial number of major economic powers, but they have been unable to resolve the issues between them during their assents. Take China, for instance. But simultaneously with China’s rise, has been the rise of Indonesia, Vietnam, India, and ASEAN as economic powers. And yet all of those states have major disagreements between them that remain unresolved. Sometimes the disagreements concern maritime borders, sometimes they relate to land borders.

**Shifting Defense Requirements**

With their economic rise, so, too, has there been a shift in the selections they make for their defense requirements. For the last 30 years, all have regarded defense capabilities as being related essentially to maintaining internal order and ensuring the survival of the state. Now they are based on the capacity to project the national interest beyond the immediate region to resolve problems around them. And the most significant area of potential concern, from the Australian point of view, is the South China Sea.

**South China Seas**

There’s a reluctance in the region to have a chat about the South China Seas in each other’s presence. There are things that are unmentionable—but, by the same token, there are unmentionable things being done in the region irrespective of whether or not discussion takes place. From the Australian point of view, there is a vital area here of American engagement in the dialogue.

I conclude now with an initiative by the Australian Prime Minister Kevin Rudd, which he announced in May 2009. He said we need an Asian Pacific Community. One of his motivations in putting that idea forward was not to create a super-national or EU equivalent in the Asian region. It was a product, in part, of his noting that in some of the regional organizations that were taking shape there was (A) an insufficient level of discussion on security matters and (B) an insufficient level of involvement of the United States.

The Australian government had no view about what form this community should take place or whether it should be built on something that already exists. But we feel very strongly that something like an Asian Pacific Community is needed.

In this regard, one of the most interesting and pleasing developments of the ASEAN Summit on April 8-9, was a proposition put forward by some member states urging discussions with the United States and Russia about how they may become more closely engaged with the region in some form of formal structure.

At the end of the day, the one thing that we all have to accept is that the United States probably is the only power capable of sustaining what is an acceptable idea of a global commons. They’re capable of being a system, but without them as players in the region, it simply won’t occur.

**ROY:** Thank you, Amb. Beazley. Dr. Smith?

**SMITH:** Thank you very much. I want to say thank...
you to the East-West Center and the U.S. Asia Pacific Council. I am delighted to be back with the family.

I’m not so delighted that I am here to talk about the difficulties that we are experiencing at the moment in the U.S.-Japan relationship. There is a great deal of concern today, both regionally and globally, about the capacity of Washington and Tokyo to manage this relationship. I have been visited at the Council not only by representatives from Asian governments and media, but also from interests as far flung as Israel, Germany, China, and India.

What I thought I’d do for you today is share some observations of actions in Tokyo and Washington over the last year. But I wanted to give my sense of what we ought to be doing collectively with Japan.

Political Changes and Alliance Management

Internally, this is a moment of tremendous importance for Japan and Japanese politics. You are watching a country move from half a century of single-party dominance and the policy making legacies attached to that single-party dominance into some unknown terrain. I think there’s a sense that Japan wants to move in the direction of a two-party system of sharing of power but as yet we don’t really know where Japan’s headed. So we need to watch and we need to be careful about approaching this as a longer-term project, not a short-term one.

The other main point I would like to make is that our alliance management practices with Tokyo are going to have to adjust. We’re going to have to be more sensitive, we’re going to have to be more ad hoc perhaps in how we address specific issues.

We know how to work with allies where governments change power. We have done this well in other democratic societies, in other parliamentary societies. We’re going to watch the British today make a choice that will ultimately affect that very special relationship. We ought to be able to do that with Japan. So we’re going to need to adjust and that is not going to be a short-term project either.

What Happened in Japan

The Democratic Party of Japan (DPJ) came to power last August 30th with 308 seats in the lower house of parliament. Astounding. Even for those of us watching he day in and day out projections, nobody anticipated the extent of the DPJ victory—even the DPJ. Mr. Hatoyama, the DPJ’s chief who became prime minister, began with a 70 percent support rating. There was great enthusiasm and expectation in Tokyo.

Today that has disappeared, and I think that should be of concern for all of us watching Japan. The prime minister has a 20 percent support rating. As we go into the upper house election in July, the Japanese public has indicated that it is fed up with both major political parties, the Liberal Democratic Party (LDP) and the DPJ. That kind of response and apathy is of concern to me.

In the longer term, politics in Japan will focus very much on coalitions. I doubt that you’re going to see a major dominant either in this election or in the longer term. That has policy implications for the United States.

I think the LDP’s demise is obvious. Whether they can recover or not is not so obvious. They are focused, on the next several years of trying to reinvent themselves but they may not be able to do it and we ought to recognize that.

So let’s turn a little bit to the DPJ, who are they, what are they doing? The DPJ was a major opposition party that spent 11 years building a party that had electoral viability and they’ve now made it into power.

Commitment to Political Change

A very anecdotal statement here. Across the board, the DPJ members I have met, who are young and in leadership capacities, are deeply committed to political change in Japan and have a strong sense of public service. So if you’re hearing ideas about the DPJ not being very good or being naïve about governance, that might be true, but when you look inside the party the human resources there are pretty strong.

They want to change the patterns of governance in Japan, which goes back to my earlier point about single-party dominance. They want to unleash and disconnect some of the interest groups that were associated with the previous party in power. They want to introduce transparency and accountability into the governance practices of Japan. They want more public debate. They want politicians to be active agents of political ideas and policy change.

Dr. Sheila Smith, Senior Fellow, Council on Foreign Relations

continued from page seven
All of this should be perfectly understandable to those of us who live in democratic societies. It would seem like a welcome set of changes for Japan. Whether the DPJ is going to be successful at this we'll have to wait and watch and see. It's going to be a very difficult task and it will take some time to implement.

**Liberal Post-War Ideals**

They have moved from an opposition party into governance with what I think is a rather fuzzy conception on the foreign policy side and I will be perfectly honest here. I think they will be developing their statements on strategic goals and on issues like the national defense program guidelines. They are currently reviewing that plan. I think we're going to watch the party's ideas as well as the public ideas unfold on some of these issues.

It's fair enough to say, though, that the DPJ does represent what most of us associate with a liberal post-war Japanese set of ideals. I think that's an agenda that is widely supported, although not exclusively supported in Japan.

But very briefly, they are for constitutional and military restraint, they support an antinuclear policy and are deeply interested in engaging with the Obama administration on nuclear disarmament and non-proliferation. They are also deeply committed to reconciliation with their Asian neighbors, Korea and China specifically. Those are the goals.

**Transparency and Accountability**

Let me talk a little bit about what we have learned so far over this last year in terms of the broader aims of transparency and accountability in governance. I think for the United States these have been particularly important. They have tried to do this on the base realignment issue and not with great success, I will say. Mr. Hatoyama was just in Okinawa several days ago. I think they're finding this to be a very challenging task.

They also aimed for transparency in addressing the so-called secret agreements regarding U.S. nuclear transit through Japan and some of the other arrangements that sustained the U.S.-Japan alliance in the past. This is a transparency exercise that is primarily internal. It is looking inside the Ministry of Foreign Affairs, it is looking at documentary archives, it is looking at the behavior of the Ministry of Foreign Affairs and whether people destroyed documents, and so forth.

So this is something for us to watch but I'm not sure it's going to have an immediate impact on our alliance cooperation. But it's important evidence that this government wants to look at the way the former government and the bureaucracy managed the alliance and they want to make some changes. And therefore I think it will affect the way that the United States and Japan work going forward.

The DPJ-led government will be examining the U.S.-Japan Status of Forces Agreement. They are in power for three more years and therefore I think we should anticipate that that will be an issue on our agenda.

I believe that there's significant opportunities ahead for the United States and Japan and I outlined some of those in testimony before Congress in March so I won't outline them here. [See http://foreignaffairs.house.gov/111/smi031710.pdf ]

**Lessons for the United States**

But let me conclude here with a couple of statements about what the U.S. policy community, needs to understand and perhaps initiate more effectively in terms of policy reviews. We obviously got caught sleeping at the helm a little bit in terms of Japan's political change. That's not to say that our policy makers didn't understand a new government was coming to power in Japan. U.S. government officials certainly did.

But as a policy, I don't know that we were effective in getting to know the DPJ or that we reached out effectively to the party to understand better where it stood on alliance management.

As I said earlier, we're going to have to change and adapt. As Japan moves into this more dynamic coalition phase of governance we are going to have to know leaders not only of the major opposition but the splinter parties, people who are going to be very important in making government policy because of their role in coalition governance. And we're watching that a little bit with the DPJ government today.

I think we also need to get rid of some old habits that were deeply associated not just with single-party dominance but with a Cold War conception of what the security alliance is all about. Secretary Gregson was very articulate on the goals that are being put into place today. We need to be much more flexible.

But listening is not the only thing we need to do. We also need to be responding. Ambassador Roos, our ambassador in Tokyo, has done a remarkable job in trying to do that on the ground as well.

**Avoid Personalization**

But this will be a very fluid process of adjustment and the United States needs to get ready for it. I think we ought to also avoid the personalization that has characterized some of the interactions between Washington and Tokyo, many of which came via The Washington Post, which is not a critique of the Post but rather a suggestion that we are in danger of poisoning our relationship not only with the current government, but with future lead-
ership in the DPJ.

**Changing Regional Security Needs**

Finally, our ability to manage this relationship affects not only our Asia Pacific diplomacy and our security requirements in northeast Asia, but it also speaks to the larger capacity of Washington to work with allies that are undergoing significant domestic changes. This is a legacy of moving away from a Cold War alliance structure. We need to recognize that and respond accordingly.

The security needs of the Asia Pacific are changing. They’re broadening. The public, I believe, plays a much, much greater role in determining the kinds of parameters the United States are going to have to face in cooperating with the nations of the region.

Broadly stated, there’s greater aspiration, I believe, for regional problem-solving not only in the economic realm but also in the security realm. We should focus on the way forward on regional crisis management mechanisms.

I was heartened by Secretary Clinton’s speech in January with Foreign Minister Okada and I believe our ability to work with Japan will best be pursued if we frame it in this broader regional context. Thank you very much.

**BOSWORTH:** I would like to begin at this occasion of the birthday of the East-West Center by paying particular tribute to someone who I think has been instrumental in giving the East-West Center the kind of role and energy and position that it now holds in dealing across the Pacific and that’s Charles Morrison.

In his time, Charles has done remarkably well in giving the East-West Center a kind of focus and energy that frankly it had not had before. So Charles, thank you.

I’m in the position of coming back to a set of issues that one dealt with ten years ago and what has changed. I think in the case of the North Korean problem two things have changed. First, of course, is the tremendous and ongoing change in the regional context, which was discussed by Chip Gregson and Sheila. It sounds like kind of a sound bite moment but it really has profound implications.

Things that were possible in the 1990s when I was at KEDO [Korean Peninsula Energy Development Organization] and we were trying to deal with North Korea or when I was in Seoul as ambassador several years later have become much more complicated. To some extent there are options that we had then that are not available to us now.

**Dealing Multilaterally with North Korea**

It reinforces the natural instinct that I think has evolved in the United States for trying to deal with the challenges of North Korea on a multilateral basis, in tandem and in close coordination with first our allies, Japan and South Korea, and with our partners in the so-called Six Party Process, particularly China and also of course Russia.

I think that we have passed the point at which we can plausibly think of dealing with North Korea on a purely bilateral basis. That is not to say that the United States does not play a central role in solving this problem or trying to manage this situation. It still is and no one can substitute for the United States in that effort. But we no longer have the independence of action available to us that we might have had ten years ago when I was first engaged in these efforts.

**Pyongyang’s Recent Behavior**

Second, North Korea has conducted two nuclear tests and we can say with some level of plausibility that it has nuclear weapons. That makes this problem much more difficult than it was ten years ago.

I’m not going to say anything groundbreaking today. We are in a posture of waiting. As I speak, we are still waiting to hear the results of the South Korean investigation of the sinking of their ship, the Cheonan. For the time being, our concentration and focus is on supporting our ally, the Republic of Korea, as it conducts that investigation and deals with the shocking sinking of that naval vessel. We’re also waiting to learn what we can about the

continued on page 11
North Korean leadership’s apparent visit to China and see where that might leave us.

Commitment to Allied Cooperation

On an overall basis, the United States remains committed to working together with our allies and partners in the region in an effort to deal through dialogue and diplomacy with what has been and remains a very serious threat to regional stability. In a broader sense, it is a threat to the ongoing prosperity of what speakers today have accurately described as the central driving element in the global economy. It is imperative that we limit the potential for instability in that region and that we try to lay a foundation for stability as we go forward over the longer term.

As I also said, we are aware of the fact that we have in this particular problem a central role that we are not trying to escape but rather we are trying to carry out in a manner which is responsive to the interests of our allies and partners in the region.

However, I think it is important to note that we also expect that North Korea will demonstrate a similar commitment to diplomacy and dialogue in an effort to make serious progress on the issues that divide us and that we confront. And that requires an undertaking on their part to observe international law and to carry out the commitments and obligations that they have incurred through diplomatic engagement over the past several years.

In the longer term I remain cautiously optimistic that this is a problem that we can work on through multilateral engagement, ongoing diplomacy, and dialogue. But as I suggested, it is a very difficult problem and we have to keep our expectations under some measure of control. In the meantime we will continue to work closely with our allies and our partners as we try to make progress on this. Thank you.

QUESTION AND ANSWER PERIOD

ROY: Thank you, panel, for, I thought, three very excellent presentations. The floor is now open for questions.

CHRISTOPHER NELSON, The Nelson Report:
Terrific presentations. The Cheonan incident raises so many larger questions about the nature of and depth of the U.S. strategic relationship with South Korea. Is it appropriate to be thinking in terms of greatly enhanced U.S. military cooperation with South Korea, getting them involved in ballistic missile defense with Japan and antisubmarine warfare? Do you think it's appropriate to include the depth of that kind of cooperation as leverage with China conditioned to how much they continue to underwrite the North Korean regime?

Is it too late for a discussion about possibly moving the Marines from Okinawa to South Korea? Finally, what is your sense of the pre-conditions to returning to the Six-Party Talks that the North Koreans seem to be announcing, that is, that we accept them as a nuclear power and that they will be there to discuss complete denuclearization not only of the peninsula but potentially of the world?

ROY: Steven, I think most of those issues fall into your bailiwick.

BOSWORTH: Oh really? Some of them may fall in my general bailiwick but they are outside my immediate lane and I would be ill-advised to get very far into the chilly water of trying to respond to all of those. I would say that these are all questions in terms of the military posture of the United States that we, to my knowledge, have been looking at carefully with our allies for many, many years.

We do some things, we decide not to do other things. As circumstances may change, obviously that changes the balance of what seems to be sensible or perhaps is not sensible. So I think you can expect that our military arrangements in the region, how we have organized ourselves, are not frozen. They will change and be adjusted as circumstances change.

As to North Korean pre-conditions for getting back into talks, we have refused to accept any pre-conditions. We believe strongly that the formula for North Korea relieving itself of the sanctions imposed under Security Council Resolution 1874 is for Pyongyang to resume progress toward irreversible denuclearization and adjust its relationships with its neighbors.

As I said in my remarks, at the moment our focus is on supporting South Korea as it tries to establish exactly what happened with the Cheonan. It would be premature to speculate about where we’re likely to be in the longer term other to say that I think we remain committed to, obviously, diplomacy and dialogue as a way to resolve all of these problems.

ROY: Amb. Beazley or Dr. Smith would you like to comment?

BEAZLEY: I just want to pick up on one thing that was put forward by the question and that was the prospect of possibly shifting the Okinawa facilities to South Korea. I think that would cause considerable worry, at least to my government, my home, my country.

It is important that all our relationships be able to accommodate political change, particularly when the alliance relationship is between two democracies. It’s very hard in the case of Japan because it’s so infrequent that the government changes. But nevertheless the effort has to be made and patience applied.

An opposition party coming into power will have a
different perspective from the out-going government. It will have its own electoral mandate, which needs to be worked through very carefully. Wisdom suggests that the activity or the approach of the United States in this particular instance is to find some mechanism for accommodation and the responsibility for the rest of us who are allies to the United States is to find some point of pressure to make sure that the other ally comes to some form of accommodation with the United States.

If the United States shifted from Japan in that way, it would create a major destabilization in the power relations in the region and probably set Japan on a course of its own strategic developments, which might scare the wits out of one or two of its neighbors.

SMITH: Let me go back to the original part of your question, Chris, about where we are today. Regional crisis management is really the focus I would suggest that we take. I don't know if right now in our bilateral talks with Tokyo that there's a lot of room to discuss the “what ifs” that may be coming down the road in a year or two or even a month or two. But that's the kind of thing I think we ought to put right up to the top of our agenda with Tokyo.

I think our defense establishments are quite willing to discuss “what ifs” and specifics, but I think we need to have that as a political conversation as well. The reference point for me on the ballistic missile defense issue would be last spring. Our Aegis missile systems and Japanese Aegis systems worked together; command structure in Tokyo was clearly put in the hands of their commander for ballistic missile defense.

Japan was trying out a new law in spring 2009 that allowed for instantaneous transfer of decision-making authority to the ballistic missile defense commander on the ground. So we have a lot of homework that comes out of that ballistic missile defense experience and I believe that homework would be nicely shared with our South Korean counterparts as well.

On the possibility of sending the Marines from Okinawa to South Korea I will not accept responsibility for Secretary Gregson here. It would be foolish and dangerous for me to try and do so. So I won't comment on that other than to say that I believe we ought to be working very, very hard here at explaining the reason why the U.S. Marine Corps needs to stay in Okinawa and why Okinawa is the only place in which we can have a conversation about our future military needs.

I think we ought to take this very seriously into consideration not just as a political problem but also as a longer term strategic problem. That being said, we can all watch what's going on, I think, in Okinawa today. As much as we may wish for a nice strategic outcome the politics of the host societies matter and they matter deeply and this is equally true in Japan as it is in South Korea. Thank you.

AMB. CHAN HENG CHEE, Ambassador of Singapore to the United States: This question is for all of the panelists. Australia, Japan and South Korea now have China as their number-one export market. Does it matter in an alliance relationship? Does it change the dynamics of the alliance relationship?

BOSWORTH: I would respond very briefly. I think it's an important manifestation of the change in the regional context that we were all discussing. I don't think in a globalized economy that it changes fundamentals. I think we all still have the same set of interests and goals with regard to regional stability and regional economic progress that we had before.

China's interest may now be greater quantitatively but I'm not sure it's greater qualitatively. And given the growing network of trade within the region and the supply networks that function within the region I think it's very difficult to say that one bilateral trading pattern is now more or less important than others.

Obviously from a geopolitical point of view China's progress over the last decade and a half has changed a lot of things. But I don't think it means that our interest in open trade with all of the region and within the region itself has been diminished.

SMITH: I completely agree that it's one factor, one aspect of the relationship with China. Specifically I'm thinking here about Japan's relations with China and how U.S. policy makers respond. For the last decade and a half, Japan has had this animosity-filled relationship. Now there's an attempt to try and direct that relationship in a broader and more constructive way than in the past.

Japan is going to have to accommodate all kinds of transformations with China, good and bad, and I don't know that we have a sense one way or the other whether one political party in Japan is going to be better or worse at this. I worry here in Washington that we're overly sensitive to some of the rhetoric that's coming out of the new government. For example, some rhetoric has been interpreted as a kind of zero-sum competition between Beijing and Washington for Tokyo's sympathies and loyalties.

I think it's a much more multifaceted relationship and it will be an issue-specific relationship in which China also is a major factor in moving it forward constructively.

BEAZLEY: I think it's absolutely clear-cut that all the powers that you indicated were now experiencing China as their number one trading partner. That is vital for an effective regional dialogue that is complex and goes across the board. There's no room for error about our
understanding of what each claims for the security environment in the Asia Pacific region.

It also is important that every power comprehends another power’s view on what is suitable and that they continue to reach some form of agreement.

The effect of that status can be overstated, if you like, in the bilateral political relationship between each of those powers and China. It is true that China is Australia’s biggest trading partner. The dollar amounts now are on a par with our trading relationship with ASEAN. Both are about $83 billion.

As far as the total picture of Australia’s economic relationships is concerned, if you take trade and investment together, our relationship with the United States dwarfs the relationship with China. Just this last year, Australian direct investment in the United States for the first time surpassed American investment in Australia. And this, despite the fact that American investment in the offshore areas of West Australia is enormous.

So there's two sides to this coin now and it produces a more complex political outcome than just a simple focus on that element of the bilateral relationship. ♦