



U.S. Policy Toward the Asia Pacific Region

An Address by

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a wider audience.*

On the minds of all Americans since the terrible crimes of September 11 has been terrorism. President Bush's overriding concern has been America's War on Terrorism. A crucial element of that is the global coalition of friends and allies who have joined with us. So I must begin by expressing unqualified appreciation — and deep thanks — for the excellent support from every one of the countries whose legislators are with us today.

Terrorism is a threat to each of us. The World Trade Center had losses of people from more than 60 nations. We have had the strong resolutions 1368 and 1373 of the United Nations Security Council. In the Asia Pacific region, we have been delighted with the fine response from our allies.

The expressions of sympathy and condolences were deeply appreciated. The exchange of information has been valuable. Some countries have offered military forces. Others have offered access to their airspace. Many countries in accordance with UN Security Council resolution 1373 have taken very important measures against illegal transfers of money that fuel those who move quietly around the world on deadly missions. And many have offered support for the reconstruction of Afghanistan.

The war on terrorism is far from over — even our three immediate objectives (the end of al-Qaida and Osama bin Laden, the end of Taliban control of Afghanistan, and the rebuilding of Afghanistan so it can never again be hijacked by outsiders) are incomplete.

This cooperation against terrorism fits well with U.S. policy objectives toward the Asia Pacific that go back to President Bush's inauguration, less than a year ago.

It is true that opportunities for specific speeches focused on Asia Pacific policy by the President and Secretary of State, that were planned for September and October, had to be postponed. President Bush had to postpone his planned October visits to Tokyo, Seoul, and Beijing. But he was determined to attend the APEC leaders' meeting in Shanghai.

While he was there he met many leaders of our region. And, of course, he has met with many other leaders in Washington and New York since the terrible events of September 11.

The President has worked to convince each one of America's determination. And it is my opinion that American foreign and domestic policies are now more than ever cut from the same cloth.

There were other purposes at APEC Shanghai. APEC Shanghai also showed a modernizing China — now a WTO member — at its best. President Jiang and President Bush had an excellent meeting there.

U.S. Asia Pacific policy is based overall on our tested alliances in the region, and it is enlarged by our key friendships. Both are enhanced by committed engagement with multilateral organizations, especially APEC, ASEAN, and the ASEAN Regional Forum.

In addition to economic, trade, and diplomatic engagement in the Asia Pacific Region, the United States has a significant military presence that allows us to play a crucial role as regional balancer and security guarantor to our allies.

Unlike Europe, Asia is still a place in which armed conflict could occur with little warning between major powers. So the United States continues its commitment to a military presence in the region.

American economic and trade policies in the region are centered, of course, on multilateral institutions of which the World Trade Organization is probably the most prominent. Although most public attention in Shanghai was paid to political matters, the war against terrorism, and China's rise, APEC Shanghai gave further momentum to APEC's ongoing efforts of trade liberalization and facilitation. This year's meeting in Mexico gives further promise as an action-forcing event to continue this progress.

APEC was followed by the launch of a new trade round at Doha, at the WTO meeting there.

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While globalization may have downsides and dangers, we sometimes lose sight of the great extent to which poverty has been diminished around the world through trade and investment flows, and nowhere greater than in East Asia. The WTO is about cooperation through trade and investment flows — making rules for trading and finding ways to resolve disputes — but despite shortsighted criticism, far more are better off through this mechanism. And the meeting at Doha came out better than most had expected.

In Washington, trade priority beyond launching a new round has been to obtain needed Trade Promotion Authority — to enable full negotiation of further trade-enhancing agreements. Our House of Representatives did vote that favorably before the holiday. Our Senate will consider the matter soon.

Support to another multilateral institution, ASEAN, has been an important and reemphasized element of U.S. policy toward the region:

- Very early on, Secretary of State Powell met with all ten of the ASEAN ambassadors.
- He participated with energy in the July Hanoi Post-Ministerial meeting and the ASEAN Regional Forum.
- A U.S.-ASEAN dialogue was held in Washington this fall for the first time since 1993.
- Direct financial support is being provided for the first time for ASEAN-wide initiatives through the Secretariat.

The ASEAN Regional Forum provides the region's only broad venue for discussion of security questions. It is not a crisis mechanism, but is progressing effectively toward confidence-building measures and an enhanced role for its rotating Chair.

Yet we are mindful that ASEAN is not a country, and bilateral relationships are important to each of the ten members.

Japan. What is not new in Asia for American policy is the primary essentiality of the U.S.-Japan alliance. Prime Minister Koizumi and President Bush have established an effective and warm working and personal relationship, in some ways reminiscent of the warm relationship between Prime Minister Nakasone and President Reagan.

The U.S.-Japan alliance is the linchpin of U.S. security strategy in East Asia. And the response to the current campaign has been especially welcome, including the enactment by the Diet this fall of three measures that facilitate U.S.-Japan cooperation. The dispatch of self-defense maritime forces to the Indian Ocean is also most welcome and provides meaningful support to coalition forces.

A strong Japanese economy is critical to the regional and global economy, and the United States is strongly supportive of Prime Minister Koizumi's efforts to implement a reform agenda.

What actions Japan needs to take are for Japan to decide — a difficult mix of political and economic measures. But it is our belief that the best way to create a basis for renewed growth in Japan is to address the parallel problems of non-performing loans in the banking system and non-performing assets in financial, corporate, and state sectors. It is important that assets not just be removed from balance sheets but put into play to contribute to the economic growth that is so important not only to Japan but to its partners in the region.

Korean Peninsula. The alliance of the United States and the Republic of Korea remains firm. North Korea remains a curious and little-known place, starving part of its population, selling drugs and ballistic missiles, and continuing a huge diversion of its scarce resources into a million-man army and the tense inter-Korean border called the demilitarized zone. U.S. policy has no better idea for dealing with North Korea than President Kim Dae-jung's constructive engagement or Sunshine Policy. He has worked tirelessly for peace and to encourage the economic reforms so essential to the North's well-being.

Tension on the peninsula is essentially an issue for Koreans to resolve. U.S.-DPRK contacts support North-South rapprochement. In that respect, U.S. policy toward North Korea was intensively reviewed last Spring and these results stand today. We support South Korea's policies of reconciliation and are prepared to begin serious negotiations with North Korea — as Secretary Powell puts it “anytime, any place, without preconditions.” But so far North Korea has been unwilling to start talks, although our food aid continues and routine U.S.-North Korea contacts are frequent.

We are also determined to keep the trilateral policy (TCOG) coordination process — among Seoul, Tokyo, and Washington — going. We had four meetings last year. We expect to have another quite soon.

China. The questions about China are the crucial ones in Asia. Its remarkable growth continues, and major investment flows come in to add to the major savings of the Chinese people. Yet, in looking to the future, everyone in Asia wants to know how boldly an engaged, internationalist China may seek to act. As seen at APEC in Shanghai and as WTO membership demonstrates,

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there is a confident future for China as it joins the community of leading nations of the world.

Without dispute, the Sino-American relationship has experienced ups and downs over the last year, and many inside and outside of Asia expressed some apprehension during 2001. But I believe these concerns were exaggerated and they were certainly not based on statements by the President or Secretary of State. There is much consensus in the United States committed to trading with China and to a prosperous China.

The collision on April 1 — an incident between a Chinese military aircraft and an American EP-3 patrol aircraft — was troubling in several respects, but it also showed fairly quickly an ability of China and the United States to cooperate on problems.

Since then, and as shown by the major bilateral meeting in Shanghai, a working relationship has been established that defies description by a few words or any slogan. Our two countries are too large and our interests and activities too complex for that. But our Chinese friends frequently use the terms “cooperative and constructive,” and I cannot disagree with that, although I would add “candid,” because we can speak freely with China about some areas where we may disagree.

The United States and China enter 2002 looking forward to a rich dialogue in many areas this year, including some difficult ones such as human rights, freedom of religious practices, non-proliferation and strategic forces, including ballistic missiles and ballistic missile defense. The strategic part of our dialogue will soon begin with the visit of Vice Foreign Minister Li Zhaoxing to Washington.

Of course, despite our soaring trade deficit with China and the increasingly dominant share of investment into Asia going to China, and the enviable growth figures for China that seem to go on and on, there is still some uncertainty for China's leaders who have to confront severe regional disparities in growth and prosperity, manage a huge economy with banking and loan problems, and contend with the hobbling legacy of very large state-owned enterprises.

At the same time, there is reason to worry about Taiwan Strait tensions. Recent Taiwan

elections have led to ferment from which a new political balance may emerge in Taipei. And the leadership transition in China, focused on this year's 16th Party Congress, is not yet complete.

Concerning Taiwan, “peaceful resolution” is the sine qua non of Sino-American relations, and U.S. policy, as it has been for so long, is that the three Sino-U.S. communiqués continue to guide U.S. policy and the Taiwan Relations Act — passed in 1979 — governs. China should know that it needs to earn Taiwan's allegiance and not force it. And the remarkable cross-strait economic interaction going on now may well be able to show the way.

Indonesia. The United States is exceptionally supportive of President Megawati — one of the first visitors to Washington after the tragic events of September 11 — and her very difficult process of democratizing Indonesia. We support the territorial integrity of Indonesia and hope to assist the very difficult task being pursued there whenever we can.

Philippines. President Arroyo had an excellent recent visit to Washington. We're looking to collaborate even more closely than we have in the past, perhaps to help train Philippine response forces in dealing with some local matters of terrorism, crime, and kidnapping, in addition to helping that country reach the economic state it so richly deserves.

As I look to the future, as U.S. foreign policy becomes what we do day by day, being engaged and committed in Asia is the certainty. We respect the region's vitality and we try to listen carefully to its new and old wisdom. We believe the United States is needed in Asia and that we are welcome there. More important, in our own interests, America has to be involved in this vibrant part of the world. But American policy will continue to grope with the complexities of how economic and security issues interrelate, and how to encourage three big countries — China, India, and Russia — to reach their enormous potential without being tempted to abuse power.



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