CNAS Press Briefing
President Obama’s Upcoming Trip to Asia

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NEAL URWITZ: Let’s go ahead and get started. We’ll have more people come, but just I figure we’ll try to be somewhat punctual.

So thank you, everybody, for coming. This press briefing, along with the ones we’re going to be holding quite regularly for the foreseeable future, are part of our effort to make sure that we are the timely resource for policymakers, for government officials and, yes, members of the media. One quick note: Everything expressed today by our experts – these are their personal point of view. These are not the point of view of the institution. We do not take institutional positions.

So, the president leaves for Asia November 10th. And the trip will cover a lot of very complicated issues that may not have been a part of daily reporting to this point. So to help explain, we have three of our very best experts: Patrick Cronin, who’s the director of CNAS’ Asia program and has held a host of government positions. He’s also the former director for the Center for the Study of Chinese Military Affairs at National Defense University. We have Ely Ratner, who’s the deputy director of the CNAS Asia program, a former staff member with the Senate Foreign Relations Committee as well. And Elbridge Colby, CNAS’ Robert M. Gates fellow and the former deputy head of national security and personnel for Mitt Romney’s 2012 pre-transition team.

As a quick reminder, all of these experts are available for interviews about the trip and really about Asia issues writ large. If you need to speak with any of them, please just give me or them directly a holler. And with that, let me kick it over to you, Ely, to get us started.

DR. ELY RATNER: Great. Well, thanks so much to Neal. Thanks y’all for coming this morning. I’m going to start off by talking about the itinerary and really what I’ll be looking for on this trip, since it’s going to be obviously the very narrow events that will be going on, but I think a lot of geopolitical and regional drama, actually, circulating a number of these meetings. So I’m going to run through the calendar, particularly paying attention to the meetings at the front of the trip, and then pass it over to Patrick to give a little bit more of an analysis of regional dynamics.

So as Neal mentioned, the president is going to be gone for over a week. He is going to be doing a series of bilateral and multilateral meetings, talking about regional issues and global issues. So this is going to be a very full trip addressing very – pretty much every foreign policy issue the administration deals with. He’s going to be starting in Beijing two days in the APEC leaders meeting, a day and a half of summitry with Chinese President Xi Jinping. Then traveling to Burma for the U.S.-ASEAN dialogue, as well as the East Asia Summit Leaders Meeting, as well as some bilateral meetings, including with the Burmese government. And then, concluding – heading to Brisbane for the G-20 at the end of the trip. So three stops with four pieces.

Let me start just briefly about the APEC meeting because, again, there’s going to be – this is not sort of your every old boring APEC meeting. Lots of interesting issues going on here. Of course, this will be the first one for Obama in the last three years. He missed the last two APEC Leaders Meetings, last year because of the government shutdown the year before because the meetings were occurring at the same time as the Democratic National Convention in September of 2012. So this is an important participation for him.
I'll be looking at what I would describe as sort of four issue areas swirling around the APEC meeting to see if any of them arise or what dominates, because there's going to be a lot going on besides the particulars of the APEC meeting. And I'd be happy to talk about those as well – what's actually going to be in the formal APEC meetings. But here's what's going to be going on in terms of regional and geopolitics.

The first question is about China's domestic politics and whether any number of issues will surface while all these leaders are in Beijing. This is a huge moment for Xi Jinping to try to cast himself as a global and regional leader. So there will be questions around whether there are events in Hong Kong at the time, lots of questions as to whether that – those protests are dying out or could simmer into something that would be quite prominent while the international community is in Beijing. Recent terrorist incidents, any of which could occur while these meetings are happening.

And the issue of pollution in Beijing – (inaudible) – which has been very severe pollution in the city recently, which some of you may have seen. Beijing is shutting down while APEC is going on. The schools are closed. The factories are closed. The government – nonessential government officials are shut down. That may work. It may not. If the – if the skies are as orange as they are sometimes, certainly that'll be – that'll be a story. So there are these domestic problems for China that'll be interesting.

Second, a series of bilateral issues that may be of interest. I'll just raise two. Obviously, Vladimir Putin is going to be at APEC. My understanding is that he's scheduled to speak actually quite close to President Obama at the CEO Summit, I believe on the 10th. So interesting to see there in terms of whether they have any interaction at all. And then a potential handshake or meeting between Prime Minister Abe and President Xi, which Patrick will provide some analytics for. So there will be some issues around what meetings are happening on the sidelines.

Third issue swirling around APEC will be TPP, Tran-Pacific Partnership. Very intense negotiations going on right now, particularly as it relates to market access in Japan, as in agriculture. TPP is a distinctly separate institution from APEC, but 12 – the 12 members of the TPP are all members of APEC. There are 21 members of APEC. So all 12 leaders will be there. I think there's a question around whether the negotiations will be at the point during the APEC meeting at which the 12 leaders, if they could get together, could potentially push the ball over the goal line.

There's an additional piece of this, which those of you who are going on the trip will find out, which it appears, either intentionally or not, that it might be quite difficult for those 12 leaders to meet in Beijing given the site of the APEC meetings, given the scheduling – the way Beijing has scheduled the meetings. I think there was some hope that they would possibly be able to meet after APEC. However, the Obama-Xi dinner in downtown Beijing is occurring two hours after the conclusion – formal conclusion of APEC. And it'll take them about that long to get back to Beijing from the APEC site outside the city. So potential dramas around whether the TPP leaders will be able to meet if they need to and what that'll look like.
Finally, on APEC, China was looking to roll out two big initiatives at this year’s APEC, both of which I would describe as having underperformed. The first is the Asian Infrastructure Investment Bank. An article here that we passed around that I put out in Foreign Policy on Friday. Lots of details on that. The short story is, they had the signing ceremony on this on Friday in Beijing without the United States, without Japan, without South Korea, without Australia, without Indonesia.

And China was hoping to use APEC to really highlight this new bank. My understanding is they were hoping to actually include mention of it in the leaders statement – the APEC leaders statement. And that will not, I believe, be happening anymore. So it’ll be interesting to see how – there’s some people saying, well, now Xi is going to downplay this, when originally they were hoping to make it a very prominent piece of APEC. So it’ll be interesting to see how that is played by Beijing.

And then the other initiative that they’ve been working over the last year is what is now being described as the free trade area of the Asia-Pacific, FTAP. Again, Beijing was hoping this was going to be a banner accomplishment of APEC, but it has been walked back from what was originally talked about as a free trade agreement, which means negotiations and rules, to what is now being called a free trade area.

So area versus agreement, very important difference here. And at the very best, what we’re going to see is an effort to launch an analytical study about rationalizing the 75 to 80 bilateral and regional free trade agreements in the region. This is not going to be a new negotiated free trade agreement, as Beijing had originally at least signaled. So again, a lot of ambition on the Chinese side, ending up in a much lower-level reality. Interesting to see how prominent this is and how Beijing talks about it.

Let me just quickly mention on the U.S.-China piece, we’re going to have a dinner and a day full of meetings. I think it’s likely to look like a hybrid of Sunnylands. So it’ll be a – it’ll be an official state visit on the Chinese side – all of the pomp and circumstance of that. But I think some effort to replicate the roll up your sleeves, having real intensive conversation style that we saw in Sunnylands.

There’s been a lot of intensive high-level negotiation or meetings heading into this summit. Both sides think it’s critically important. Susan Rice was in Beijing, Foreign Minister Wang Yi here in Washington, also State Councilor Yang Jiechi here last week, or within the last 10 days or so. I think what we’ll see from the White House is the following, that they’re not looking – we’re not – we should not be expecting a big departure from existing U.S.-China policy. I think they want to demonstrate that we’re making progress in the relationship with China that advances American economic interests on things like investment treaties, addresses regional and global challenges, the maritime issues in the region, global challenges, like ISIS, and Ebola, but also staying true to American values and interests, so at least privately talking about Hong Kong, human rights and other issues.

You know, I think we’re unlikely to see drawn-out negotiations over the wording of a joint statement or a recasting of big conceptual ideas. I don’t think the administration’s particularly
interested in that, but instead we’ll be focusing on high-impact outcomes that demonstrate progress both on the expanding cooperation side and on the managing different side in the military-to-military relationship on issues like Afghanistan and North Korea, people-to-people ties, et cetera. So I think the message is, the administration is invested in the relationship but not in deference to China and that they’re clear-eyed about the competitive aspects of the relationship but – and they’re not going to be pulling punches as maybe they’ve been criticized for.

Then the president’s going to go to Burma. The only thing I’ll say there, I think we may see more of the political security issues discussed there rather than in Beijing, which might be more of a political cooperative, economic focus, and then he’ll be on to Australia.

So, happy to take questions on any of that, but let me pass it over to Patrick for a little more analysis on regional dynamics.

DR. PATRICK CRONIN: Well, thank you very much, and Neal, thank you. And thanks for coming. I think Bridge and I will both probably have more on the way of some commentary rather than trying to run through the itinerary that you probably know very well.

From my perspective, this is – this is an opportunity and a huge challenge for the administration. It’s an opportunity because this is the chance for the Obama administration to link the president’s legacy – which includes, very significantly, the rebalance to the Asia-Pacific – with the long-term strategic interests of the United States, and the directions, frankly, of the globe. So regardless of which forecast you want to use about China’s economic growth, most of them still end up by the end of the – by the middle of this century with China very much the strongest economy and the rest of Asia also rising, and the United States in relative decline. That’s still the long-term trend regardless of these sort of recalibrated forecasts that we’ve been getting, including from the conference board this past month. So the OECD forecast of just two years ago, for instance, looks out to 2060, and it’s quite stark just how much power China, India, the region ends up with and how relatively little power the United States ends up, 17 percent of the global economy by the time of 2060. These are all long-range forecasts. All I’m saying is that’s still the direction of things.

The balance – the rebalancing of – (inaudible) – was a chance to try to capitalize on this trend, on these opportunities and the challenges of this region, and so now the challenge is, can the Obama administration in the last two years – and using this significant set of visits this month, this next month – can it capitalize on the rebalancing policies already in place and outlined and follow through in a significant way. To do that, it’s going to have to do three things. It’s going to have to put some balance in the rebalance, it’s going to have to be stronger than it’s been to date, and it’s going to have to be ready for some contingencies. So what do I mean by that? The balance and the rebalance is largely our own economic and trade posture in the region. The Trans-Pacific Partnership remains really, for me, the litmus test of a balanced rebalancing policy for the United States. We will be taken more seriously in this region if the United States makes significant progress with Japan and other partners in the region toward realizing this new gold standard framework for trade in the 21st century. And if we don’t make progress, we will significantly be graded down. We’re going to be marked down like a Moody’s downgrading of our credit – and we’re going to be
discounted more. So it doesn’t matter that China doesn’t quite make as much progress on its infrastructure bank or its economy, it will still be doing relatively better than the United States on the trade side. So it’s very important, especially since the pivot and the rebalance to Asia was cast initially – in so many people’s minds, at least, as largely military – it’s very important to make sure that this economic trade pillar is actually left as a very strong basis for U.S. engagement in the region at the end of the Obama administration if this is going to be successful – (inaudible).

You could, at a smaller level, take a critique as well about some of the failed development policies. As the third ranking official at USAID, I – you know, when I was there, it was very significant to try to be able to marshal serious financial resources to invest in development. This administration has cobbled together in the Lower Mekong Initiative a very weak, inchoate, still inexplicable initiative on how to compete with real money pouring in from China, real infrastructure, real engineers on the ground from China. Notwithstanding some really strong effort from Secretary Clinton at the time, when she did wrest a bit of money from the government, at the same time, it just don’t quite add up. And the rest of our initiatives, they’re just not quite serious. So, again, I’m putting that in contrast. Our trade, development investment posture relative to China, you know, this is a test, and so we’ve got to rebalance the rebalancing policy to be taken seriously in this region.

We have to also be strong, though. And this is a matter of cooperating through strength, not looking for conflict. But the reality on the China issue is, it may be that the administration is not going to – you know, it’s going in very sober and clear-eyed, but do we have an effective strategy? And here the problem is, we need a compliance strategy. This is not just trying to deter conflict with China. Nobody thinks we’re heading toward immediate conflict with China. But can we compel China to stop nibbling away at the boundaries, especially in maritime Asia? And there we are sorely tested (long ?) – not just the United States, with Japan, with Southeast Asia, in the South China Sea, on how to try to hem in the redefinition of boundaries, essentially, in maritime Asia. That’s the nine or 10 dash line in the South China Sea. It’s the intrusions around disputed islands and waters in East China Sea and so on. So that’s going to be a continued test. And this is not going to be an issue highlighted in Beijing, I suspect, other than we’re going to be focusing on stability, that China and the United States can make good relations. China will be casting itself as a country truly looking for good relations with its periphery in the region. But we – and we’ll talk about confidence-building measures, and that will talk about the stabilizing elements. And we do need confidence-building measures to avert the risk of escalation, but at the same time that’s not enough. We still need an offense, not just a defense, and that’s the missing compliance part of this dimension.

It’s well as we’re building the capacity of others, I mean, this will not be highlighted so much on this trip because this is a mostly a set of multilateral meetings getting most of the exposure, but as I mentioned, there will be a set of bilateral meetings as well. So what Japan is doing to strengthen its relationship will be relatively muted at a time when Prime Minister Abe needs a good handshake with President Xi. Japan and China both want to show that they can get along. The problem with this handshake is that nobody believes that it leads to more trust. Nobody actually thinks it has any depth to it and that it’s going to be just as brittle when Prime Minister Abe gets back to the Kantei in Tokyo as when he’s in Beijing shaking hands, unfortunately. So it’s going to be, you know, a good photo opportunity, but it doesn’t change anything fundamentally. The fundamental fact is that
China does not want to treat Japan as an equal; and Prime Minister Abe does not want to be relegated to a second-tier player, and he’s going to be (sending ?) up.

Similarly, building the partnership with other countries, especially in Southeast Asia – Philippines right now is at a critical point because of this – the murder charges against American service men could threaten the whole enhanced defense cooperation agreement in the visiting forces agreement. Vietnam administration’s moved forward by talking about lifting the ban on lethal arms sales, but what we’ll be able to do, especially after these summit meetings, suggests that Xi Jinping wants this more stable, cooperative relationship in the region, willing to talk about confidence-building measures but not actually willing to buy into binding conduct or binding any kind of sort of confidence-building measure that’s actually binding. Indonesia with the new government, Jokowi, I mean, this is a big opportunity for the president, who’s got tremendous sort of sort of rapport in Jakarta at least, if not Indonesia generally, because of his own personal background there. This is an opportunity to at least set the stage for filling in other parts of this comprehensive partnership that got attention earlier under SBY and then languished a bit, and now can get some more economic juice as well as work on cooperation on defense.

Malaysia is going to be the chair of ASEAN next year, so the whole bridge from Myanmar to Malaysia – a very important opportunity for the president to build on his April visit to Malaysia. And I think there is a chance to do that. Malaysia has been talking about some of the ideas they may want to be promoting next year in the chair, including an amphibious ready group to deal with disasters, for instance, in the region, which would be very much congruent with building partnership capacity in the region.

Thailand is a problem right now because of the lack of a roadmap back toward a democratic election with our ally in Bangkok. Singapore is an ever-strong relationship, so that’s a positive on these agendas, and I think Singapore will like the fact that China and the United States are basically getting along throughout these multilateral meetings. This will be a good signal for the region that these two major powers can indeed have, if not a new type of great power relationship, at least a very – a very sort of – sort of solid set of relations.

Anyway, the training and exercises – these other issues on the – on the strength, I mean, with sequestration right now – and Bridge will get into this a bit – I mean, we just won’t be taken seriously. We haven’t seemed to be resourcing the defense side of our posture in this region, even though, as Admiral Harry Harris reminded me just a couple of weeks ago when I was visiting him at Nimitz House, look, we’ve got 310 ships that we’ll have by the end of this decade. That’s what we’re buying. It’s already – it’s already paid for basically in terms of the budget. That’s happening.

What happens in the 2020s is more open to questions, but we’re going to have a 310-ship Navy. That’s not a bad Navy at all. This is a highly capable force. And we have got 85 percent of the Navy that we’re going to have in 2025. So we’re really talking about, on the margins, about the longer terms in the 2020s. So there’s some huge investments that have to be made in the future and we’ve got to free up resources to do that.
The problem with sequestration right now is that it’s eating into our operation maintenance budgets. It’s eating into our training and exercises. So we’re not able – I was just putting together a regional conference in Guam this past week. Everybody wants to go out there and do training together in Guam in the Marianas.

The problem is that we are not yet across the finish line on investing our own resources in bringing these, sort of, to fruition and allowing us to do these kind of things. It’s a small – seemingly small investment, but it’s hugely important if you’re going to try to be bringing a lot of countries in to build their capacity, train together and bring new partnerships together, including Australia, Japan, along with Southeast Asia.

The third thing is being ready. The last point I’ll make is simply that mostly we’ve got to be ready on the North Korean front for a major contingency. And this is – this could be a diplomatic opening. Yes, there could be a diplomatic opening, and I give you about a 2 percent chance of that possibility – 2 percent. You still have to be ready for it. On the other hand, there’s about a 5 percent chance of possibility that we could have conflict. We’ve got to be ready for that. And there’s about a 97 percent chance that we’re just going to be played by the North Korean regime. (Laughter.)

And so we have to make sure that we’re not lulled into complacency with our own agenda of the Obama administration, which will be happy to put this on the back burner again; just do what’s necessary to maintain deterrence; keep the strong U.S.-ROK alliance, which we’ve done now with the recent two-plus-two sort of a deal to delay the transfer of command and control of the OPCON – wartime OPCON question, operational control question. But we’ve got to be ready to – for the – what’s going to happen in the next two years, which will be the visible deployment of nuclear-tipped missiles in North Korea.

So even while we’re playing a deterrence and defensive game here as well, we’ve got to have an offense to be able to deal with that issue. And I think that’s why General Scaparrotti came out this past week and talked about the fact that North Korea does appear to have sort of mastered the idea of how to miniaturize warheads.

Anyway, I’m going to stop there and transfer over to Bridge, get more biting commentary. And then we’ll go back and we can – (laughter) – we can take Q&A.

ELBRIDGE COLBY: Well, thanks, Patrick. And I’ll be brief so it will allow you guys to do your job and ask some questions.

But I’d say, you know, in light of what Ely and Patrick have said, two major points. The first is I think the administration and the president himself need to take a tougher line than they appear to be intending to do towards China vis-à-vis the PRC’s growing assertiveness, particularly with respect to territorial disputes, but with respect to regional inequities more broadly.

I think there has been an impression created by the president’s discussions with Xi at Sunnylands, where, you know, my understanding is he avoided some of the hot-button issues; Secretary Kerry’s
comments in July in Beijing where he said there was no strategy to push back against China, or words to that effect, and his recent comments about U.S. willingness to reduce its military presence in Asia if the North Koreans come back and denuclearize – so a number of comments in that respect, as well as the administration’s sort of warmth towards the concept of a new type of major power relations, which is obviously interpreted a certain way in the region.

So in light of this, I mean, I think the administration, you know, may be not fully facing up to the – to the reality that’s been created, the diplomatic and perceptual reality. And so in light of that, I would hope that the president would be direct and clear with Xi Jinping in his meetings that the U.S. would push back on Chinese assertiveness as well as in public fora as appropriate, but perhaps particularly in private, where it has a certain credibility.

You know, I think this is important not just in communicating to China that, you know, assertiveness is not – is not a safe course and is a risky course, but also that, you know, other major countries and other countries in the region are determining over the course of the coming years whether, you know, aligning to some degree or another with the United States – you know, whether associating with the United States to one degree or another is a safe and smart bet.

And I think Patrick named a few of these but, for instance, you know, Vietnam with the lethal arms sales issue, the Philippines on a number of fronts, but for instance the access agreements that the U.S. has concluded with the Philippines and other countries. There’s a new president, Jokowi, in Indonesia, which is a key state in Malaysia – has also expressed concern about China’s behavior.

So it’s sort of a plastic moment and I think the administration needs to be forthright. The United States is resolute, is committed to staying in Asia and being a strong, you know, counterweight to China, which is, as Patrick rightly says, inexorably growing, even if it slows.

You know, the administration I think is saying that there’s going to be progress on the military-to-military relationship, you know, which is – which is fine as far as it goes but, you know, this is not the real source of the problem. This is not the real source of the tension or the real danger for escalation between the United States and China.

I mean, an incident – there was a recent buzzing of P-8 is – you know, is real, but not just from the political levels of the administration but from some of the senior levels of the military there is sort of – you get this sense that they think that most of the problem can be addressed by having kind of an open phone line to their counterparts in the PLA. And I think that’s not really the whole case. That’s useful as far as it goes, but, you know, ultimately these are political and strategic issues.

And I think it’s important to notice – to emphasize that we don’t want to give the PLA, and China more broadly, a sort of – a sense of security about being able to push that if we give the vibe that we’re too concerned with a kind of – a certain kind of stability, then they’ll, you know, feel – they feel more license to take risky actions. And so I think that’s – mil-to-mil needs to be put in its place. But I think the whole thing is the administration should really give the vibe, both to China and other countries, that good fences make good neighbors, and I don’t think it’s been doing an adequate job
of that so far.

The second major point is I think there needs to be more of a focus by the administration on Asia across national priorities and in the hierarchy of U.S. foreign policy interests. I think the administration has tended to prioritize other regions – the Middle East, Euro-Russia, global issues – and it's done so even in Asia. I mean, if you look at some of the readouts of meetings that say Secretary Kerry or Susan Rice has had with senior Asian leaders, they regularly mentioned ISIS and climate change and maybe another global – or Ebola as a – as a key issue.

And it's sort of like, well, wait a minute, Asia is – as Patrick notes, even if China slows down, Asia is the center of global economic and political activity, strategic activity. This is where, you know, who is going to be setting the rules of the road for the global order are going to be decided, and so to not be – not be kind of putting Asian issues up there is, I think, a mistake.

And I think this has a particular relevance in the military field, which I look into particularly closely. You know, I think there is an inadequate understanding of how fast and how effective China’s military buildup is and will be. You know, if you listen to – or if you look at – for instance, Jeremy Page has a very good article – very good articles in the Wall Street Journal on China’s submarine program. In the last few days, for instance, the Chinese just mounted their first nuclear submarine patrol into the Indian Ocean. Their submarine levels, I think there are around 70, you know, advance submarines but there’s also varying missiles of various kinds.

You know, you’ve heard a lot about the anti-ship ballistic missile that’s designed to push back the ability of U.S. aircraft carriers to operate in the region. These are having very significant effects. And, you know, if you listen to the Pentagon actually, particularly below the sort of political level, there is increasing concern, in some ways a real outcry or, you know, a cry for help. You know, if you listen, to some extent, to Secretary Hagel’s speeches, certainly Deputy Secretary of Defense Work, Undersecretary Kendall. They’re all saying, you know, this is a really severe problem, and we need to face up to it.

But, you know, I get the sense that the administration, at the political level and other parts of the administration, are hearing this, but they’re not really taking it onboard. They’re not really prioritizing this. They’re putting other things – they’re putting other things before this, and I think this is a real problem.

You know, there’s some specific things the administration could do that would really help maintain U.S. military superiority in the Pacific, which is really important. You know lifting sequester is one, but also, prioritizing the right kinds of investments. You know, the administration talks about this 60 percent number, but that – you know, it’s a little bit of an accounting trick, and obviously, these things take time. But I think there’s a lot more to be doing in investing in cutting edge and advanced capabilities, that it’s not – you know, it’s not doing as much as it could. And also, taking advantage, for instance, of some of the things that are going on – receptive moments with allies; obviously, the Abe administration, Abbott administration, or they’re doing with each other, like the Abbott-Abe, or Japan-Australia cooperation. So happy to discuss this in more depth, but I think these are the key
points that I would give to you as the – in advance of the trip.

MR. URWITZ: And with that, let’s open it up for questions.

Go ahead, Jim.

Q: Jim Wolfe, consultant with NHK. Dr. Cronin, can I pick up on your remarks about North Korea and what General Scaparrotti had to say on Friday? You’ve added an element – you said you’ve got to be ready, I think, within two years for the visible deployment or rollout –

DR. CRONIN: Of nuclear missiles.

Q: – of nuclear-tipped North Korea missiles. I’m wondering about that notion of, within two years – where does that come from? Are you going on the basis of some intelligence of which you’ve heard? (Laughter.)

DR. CRONIN: Well, I’m looking at it more from the Obama administration’s perspective and U.S. perspective, that it’s – if this happens during the last two years of the U.S. administration, we will be seen as caught napping, and regardless of what progress we make in dialogue and six-party talks, if they resume, for instance, to talk about the North Korean nuclear missile program, we will look pretty weak and foolish if we allow a nuclear-tipped missile – whether it’s medium-range, intermediate range or long-range, to be visibly deployed.

You know, is North Korea capable of this? Expert views vary, but expert views are based on a lot of suppositions. North Korean programs have been worked clandestinely; nobody has access to them that I know of, and none of the experts that I know very well in and out of the government have had access to see some of the programs we’re talking about. They’ve instead the centrifuges that are spinning at (Yongbyon ?), for instance. That’s very different from, actually, what they’re doing clandestinely to try to take a miniaturized nuclear warhead.

I’ve talked to South Korean intelligence, U.S. intelligence; they don’t know. (Chuckles.) So it’s more a matter of being ready for the unexpected rather than be surprised by it. It may take them five more years, but it could also take them just two years, and they could – they could fashion a very crude weapon and warhead, and when they deploy it, if they do deploy it, even if it’s not totally operational, psychologically, it will continue to have the effect that the United States is not able to necessarily stop the progress of North Korea’s nuclear missile programs, not necessarily able to protect Japan and Korea – its allies and its forces from a potential nuclear attack in the Asia-Pacific, and that will have consequences.

It’s why the United States is not standing still completely, right? It is – it is shoring up the relationship with Korea and Japan. It’s shoring up missile defenses. It’s trying to make sure that the scene in command and control is not severed by artificially trying to accelerate the wartime operational control transfer. That was meant to happen in December of 2015; it has now been deferred until the conditions allow it. So the administration is taking some proper steps. The thing
is that they will all be vitiated by the actual deployment of a nuclear-tipped missile. So it’s more of an admonition than a prediction.

Q: And what do you think more needs to be done to prepare for that eventuality?

DR. CRONIN: Well, first, we need to not fall into the same trap of the leap day deal – that is to say that we think we have an understanding on a moratorium, on the argument – perfectly sound in and of itself – that a moratorium would be better than further progress on missile nuclear weapons. Absolutely. You cannot argue that point. The problem is, you don’t know that it actually is enforceable. That’s the problem with that point.

So just as with leap day deal – it fell apart almost instantaneously when the North Koreans said, oh, by the way, rockets are not missiles. Three-stage rockets – which could also be an ICBM – is about satellites, and three-stage missiles are about missiles. (Chuckles.) You know, that’s a very fine way to parse a difference. And it just suggests that North Korea is not fundamentally changing its programs. It’s been wedded to these nuclear missile programs for a long time now. There is nothing we have seen in the last two decades to suggest that North Korea – you’ve got to go back all the way to ’93 and try to find, really, I think, in North Korea, some willingness to truly put a moratorium in place through the ’94 agreed framework that came about. Since then, everything has suggested that, no, they’re going to keep (firing away with ?) these systems.

So, first of all, if they’re not being lulled into this Chinese siren song, that if we just go back to the six-party talks, everything will be stable again and we’ll have stability on the Chinese border. No we won’t. We’re going to have more instability, because North Korea is fundamentally an unstable regime, because it’s economically bankrupt, and it’s politically closed in the 21st century, when that’s almost impossible, when neighbors in both China and South Korea that are increasingly prosperous. So it can’t really be sustained.

So what else do we have to do? Well, we do need better, more interoperable, integrated, even, missile defenses between U.S. and ROK. I think it’s disappointing that the ROK doesn’t move ahead with something like the THAAD missile system to supplement the Patriot-III batteries that they’ve agreed to buy, because it’s going to need to – it may – we can wait a few more months, and a few – even a year, but we have to start putting those systems in place so that North Korea doesn’t gain advantage from the threat of having a deployed nuclear missile. And then, we need to be able to integrate those systems on a moment’s notice with Japan, Korea and the United States.

And here, once again, we need to not be persuaded by Chinese strategic concerns that this is aimed at China. China has to accept the fact that a growing North Korean missile nuclear threat is a danger to its neighbors and to the United States’ interests. And we will have to take steps, along with Korea and Japan, to handle these issues.

So, I’m not suggesting a pre-emptive attack on North Korea. I’m not suggesting that we walk away from looking for a negotiation with North Korea. But in the process, the likelihood is, they’re going to continue these programs. They could even deploy one of these systems in the next two years, and
for the administration’s sake, but really, for the sake of regional stability and for U.S. national interest long-term, we just need to be ready for that contingency.

MR. COLBY: Can I just – I’ll just add. I mean, I think, a couple of points. You know, militarily, I think that not just U.S. Forces Korea, but the U.S. military in general is not – has not really grappled with it – with the problems – or not grappled adequately with dealing with the problem of a nuclear-armed adversary like North Korea, especially one where you can’t be absolutely sure that you’re going to get all the nuclear weapons. So this is something that needs to happen. It sounds kind of mundane, but it’s actually very important to have these kind of planning capabilities, to have people who are thinking in the commands – you know, Pacific Command, but also, U.S. Forces Korea about, you know, how do we deal with this problem, and how do we avoid escalation if we can, or, you know, if we think we can get them all, how do we do that? And working with the Koreans, because the South Koreans may have a very different idea, you know, let alone the Japanese.

So that’s something where there’s been a little bit of progress, but my impression is that a lot more needs to be done. I also think that in terms of – you know, Patrick rightly brings up, but my impression of General Scaparrotti’s comments were, we just don’t know, so we’d have to assume, which I think is the proper assumption. You know, I think, from a kind of broader political-military point of view, North Korea needs to see that further advances in its nuclear program will not redound to its strategic benefit, and so the U.S. should be willing to put more military force, you know, around the peninsula, on the peninsula as appropriate. That – you know, that includes, you know, things like the B-2 flight a year-and-a-half ago, you know, demonstrations of strategic resolve, but also real military assets.

You know, I think the point is that North Korea is – you know, seems resolute on moving forward on its nuclear weapons program. It should understand that it’s not going to intimidate the United States. It’s not going to decouple us from our allies, and it’s going to make its own strategic predicament probably worse.

And then, with respect to China, I would say China – Patrick’s exactly right. China should have – you know, but they don’t need to understand – the United States should say, you know, this is a problem for us and our allies, and we are going to address it. If China is worried about these missile defense programs, rightly or wrongly, there’s a way that it can – it can slow them down or halt them in the region, which is to get the North Korean nuclear missile programs under control, and we all know that China is the one with the leverage, so, you know, if they’re sufficiently unhappy, they can do something about it.

Q: I’d like to ask the two of you to elaborate about something that you touched on, using different phraseology.

Patrick, you mentioned the lack of a compliance strategy on the part of the administration toward China, and Bridge, you’ve talked about the failure to give Asia appropriate priority. Given that the administration’s rhetoric for several years now about the importance of the rebalance, the future is in Asia, all the statistics about trade and economy and everything else, how do you account for this?
How do you – how do you explain the disconnect? Is it a failure to have the right personnel at the top of the foreign policy process? Is it failure of sufficient China expertise? Is it an understandable press of events when you’ve got Russia acting up in Ukraine, you’ve got an Islamic terror group lopping off the heads of Americans, you’ve got a potential epidemic? How do you make sense of this?

DR. CRONIN: Well, all of us here and others as well here at CNAS have been looking at the growing assertiveness of China in the maritime space, especially the East and South China seas. That really has grown since 2008, well before Japan nationalized the islands, and some people like to say, well, that triggered the Chinese aggressiveness. Well, it triggered some assertiveness in the East China Sea on the part of China. They became more consistent and persistent, both, in terms of the operations of the coast guard and even naval and air operations around the East China Sea since then.

But since 2008 in particular we’ve seen, first under Hu and now under Xi, a consistent pattern of coercive diplomacy. And it’s driven by a lot of things we all have variations of on a theme, in terms of trying to explain what China’s about.

I don’t think it’s an absence of the personnel in the administration. I think it’s an absence of understanding about China. You get 20 Chinese experts together, they’ll give you 30 different views on this issue. But in general, in terms of cause and effective, I mean, some will be more sympathetic from a Chinese perspective, saying, well, it’s being caused by history; it’s being caused by the neighbors; it’s being caused by, well, they have new capacities, so they’re just protecting their interest. All of those have an element of truth, but at the same time what China is doing is effectively probing to see whether they can essentially make facts on the water, air and ground in – round their periphery. That’s what they’re doing.

And so when I say they have no – we have no compliance strategy, which is a tough thing to do – compliance is much harder than deterrence; it’s a lot easier to deter somebody from using force in the first place than it is to actually get them either undo something they’ve done or not to do something that isn’t actually the direct overuse of force, these – this – what I call tailored coercion, these little – you know, it’s a nibbling strategy, the salami tactics, however you want to put it – that China is looking for these opportunities. So it’s oil rigs in disputed waters one day; you know, it’s reclamation of land features the next day. But bit by bit, China is growing their sovereignty, basically, in the East and South China seas, which will in turn relate, even if it doesn’t right now, directly, to their future military posture in – into the Western Pacific, into the Indian Ocean. It is a platform. These are platforms –

Q: Right, but given all that, why doesn’t the administration see the need for something –

DR. CRONIN: Well –

Q: – particularly since they themselves have been talking for years about helping?
DR. CRONIN: Sure. It’s a good question. I don’t think the administration is naïve about this issue. I think the administration is structurally bound by two- and four-year political cycles, frankly, where you’re trying to do the best you can in the time you have to showcase your priorities.

We have broad interests in the region, right? So we do have a strong interest, the United States does – and the White House understands this – in making sure people know that the United States is committed to working with a rising China. That’s – that is part of our interests, and we don’t want the region to think we’re only driving them into conflict. War between great powers is not inevitable. It’s not a John Mearsheimer moment here in terms of, you know, this is inevitable – you know, the rising/declining power – we will have to go to war. It is instead this very, very tough transition period where China thinks that it should be a power equal to the United States and that it has historical claims that are far more expansive than the 21st century will allow, frankly, right? We’re not in the 1800s. We are not dealing with the Monroe Doctrine in the Caribbean, where there were no major economies on our flanks. You know, these are all major economies in Asia, and they all have interests, they all have sovereignty claims, and it’s going to be a very, very tough contest and competition.

So the administration is highlighting – OK – (inaudible) – the administration is highlighting the positive and minimizing the negative. All right. That’s the answer to the question.

So it did –

MR. COLBY: So – oh, sorry.

DR. CRONIN: So it’s highlighting stability, it’s highlighting the U.S.-China relationship. (Inaudible.) We can build cooperation. That’s still the narrative. We can manage crises and prevent conflicts from escalating, and all of that is true. But they are – they are basically skimming over the tough reality that we need compliance. That is, we have to find a way to work with our allies and partners in the region, to stand up to coercion. And that’s just not easy, just as – you know, whether it’s on the human rights side or whether it’s on the military side.

Go ahead, Bridge.

MR. COLBY: Yeah. Well –

Yeah. Well –

DR. CRONIN: Ely will want to comment on this too.

MR. COLBY: – (inaudible) – David, I mean, you know, I think people, impressive events, I mean, are clearly part of it. There’s no Kurt Campbell, who has a, you know, receptive principal in Hillary Clinton, and then are people like Bob Work. But you know, somebody like a Campbell is obviously sort of a – you know, really focused on this issue.
Impressive events – you know, people getting beheaded, Ebola, no question.

But you know, those sort of were always true, to some extent. I mean, my – and I wrote something in National Review about this point – I mean, my sense is that there’s frankly a lack of realism and a strategic sensibility in the senior echelons of the administration. There’s a – there’s a kind of an ad hoc approach. It’s sort of a pragmatic approach, but it – but it’s dictated by events, the impressive events, and what’s on the top of the – you know, the – your guys’ publications.

And you know, don’t take it from me. This is what – this is what everybody who works in administration says. You know, it’s the White House that’s concerned about sort of big daily impressive events. And you know, I mean, I think – you know, I don’t think it’s being unfair – it may be being uncharitable, but I mean, it’s attitudes – you know, I mean, the play for Asia is a strategic play. It’s saying, look, this is where the long term is. It requires a discipline and a rigor and a willingness to say about, you know, important but lesser interests – you know, we need to put these aside; this is the focus.

You know, ideally it’s sort of a Nixonian/Kissingerian/Reaganite, you know, Truman, whatever, and I just – you know, I think – frankly, I don’t think this administration gives that that (inaudible) – I mean, you know, a guy like John Kerry, in addition to the fact that he obviously has marched in the Middle East, he’s also not – you know, the issues he brings up in Asia are climate change and, you know, Ebola – I mean, Ebola – (chuckles) – you know, definitely is something we want to resolve, but this is not – you know, that may not be the right forum. That may not be the – you know, instead of bringing up the strategic interests that are saying, look, it’s a long play; these are the tectonic shifts; this is a rising power, with which we have, you know, at the same – the concurrent competition and cooperation; here’s where we need to put our – put our time and energy.

So that’s my take.

DR. RATNER: I would just add a couple points. I think there are two misguided ways of thinking about these sets of problems right now, and I think, Bill, you see them in the way the administration talks about. One is sort of this conception that things like Ebola and ISIS are the short-term immediate challenges and that the challenge with the rise of China is this sort of epochal issue that we need to deal with that’s going to be a long-term issue. I think what we’re seeing right now is the China challenge, as it relates to the territorial issues, as it relates to the investment bank, the infrastructure bank that this article was about, the submarines now patrolling in the Indian Ocean, these are all things that were going to happen in the future. They’re happening right now, and I think we’re all a bit caught on our heels that this has come so fast.

And so I think we need to sort of break this notion that the rise of China is a future problem and we can sort of clean house and not worry about it; that, again, finding – and it’s about finding, you know, an equilibrium in which we can advance our values but we can’t – this isn’t something that we sort of sit around for now. So I think there’s that set of issues.

And I think the other one is sometimes what you hear is – and Bridge was getting at this – but a
prioritization of the global over the regional in the China context; that it’s – there is – there’s a perception that things like ISIS and Ebola and climate and the international issues are somehow the ones around which global order are built, and from that regional stability will hopefully result. And I think it’s – history and otherwise will say it’s actually the opposite; that what we need is a stable regional order and build international order from that, and if all we’re doing is thinking about transnational threats and we’re losing the regional game, we’re going to find ourselves in a very bad position. So we need to – it’s, I think, rebalancing the priorities.

And you know, just to quote the administration, not our own views, there was a – before or well – John Kerry was leaving for Jakarta, there was one of these background briefings. Senior State Department official said ISIS is – he’s on the way to the Jakarta – ISIS is at the top of our agenda, right? (Inaudible) – there’s no question ISIS is at – so I think the question is, you know, again, this point about when the United States goes to Southeast Asia – of course Southeast Asia cares about these issues, but you know, what about trade, what about economics, what should be at the top of our agenda when we go to Asia, and should it be things like Ebola and ISIS, or should it be things that are very much regional issues in the heart and minds of the people in the region and more central to the strategic competition? So I think that’s where folks get uneasy, when the lens is being cast at the global issues, rather than the regional.

DR. CRONIN: Let me just – I agree with everything that Bridge and Ely said, but as you come back to what is practical to deal with and what’s easier to deal with, the administration’s falling back on what’s easier, rather than what’s more difficult – I mean, at the end of the day. So it is easier to think that, look, radicalization – no Chinese want to see jihadists running around, you know, whether it’s in Xinjiang or in Syria or in Iraq. So they see it as an opportunity to try to accentuate the positive, to try to get up – it’s not the wrong thing to do but, as Ely says, we’re missing the strategic value here and as, you know, Bridge is saying, we’re missing our strategic prioritization on this. So it’s hard to do both – can we do both of these things? And that’s a challenge for any administration and it does – it is affected by personalities who are in place. It’s – you know, whatever the secretary of state says, you know – the secretary of state – no secretary of state actually runs all of the Defense Department and all of the real investment, so there are a lot of players in any administration and there are certainly – and there are going to be people in the next administration who are more focused on the Middle East, as well, just as there were in this administration, and that’ll always be (the true ?) in United States policy.

DR. RATNER: But I think if you look – I mean, this trip – there’s going to be a lot of (whither ?) the rebalance commentary during this trip. I think if you – there’s the question of sort of communications and perception; I think that has to be separated from the policies on the ground and I think if you – even on the defense side, right, if you looked at Marines in Darwin, LCS in Singapore, Axis agreement in Philippines, right, new relationships with Indonesia and Malaysia, arms sales to Vietnam, U.S.-Japan defense guidelines, things we’ve done in South Korea – the administration has done a lot on Asian defense issues. If you go back, look at –

(Cross talk.)
And even on the diplomatic side, as it relates to engagement with ASEAN – we are where we are, ICPP, so – you know, important to look at all the policy dimensions that have been articulated as part of U.S.-Asia policy and not get mixed up in – you know, which we do, as well, but all the commentary about, you know, how many trips have been made here or made there. The facts are the components of the policy, I think, very much are in place. There’s some big question marks – TPP and otherwise – whether we can get over the line but I think the policy pieces, many of them are there.

Q: Yeah. Can I ask about this in a slightly different direction? I mean, just wonder whether this whole sense of the administration just – (inaudible) – is just about events, when, if you think about point of view, the fact that now at war in Iraq and Syria, likely for a number of years, and a very tense conflict or situation with Russia that is completely changing the long term trajectory of the U.S.-Russia relationship – I wonder, at a deeper level, do you think that maybe the back of their minds made the decision that this isn’t the right time to be pushing back so strong and strategically against China and strategically forward; it’s not just about the (force ?) of events and all the things – (inaudible) – these other events around the world have shaped their view about Asia?

MR. COLBY: Well, I think it’s a good point and, I mean, I think some of it has to do with individuals of any administration who probably were always never fully, you know, persuaded by the – by the rebalance. I mean, some of the keys guys driving – people driving Hillary Clinton – Tom Donilon, Kurt Campbell have all exited the administration so some of the – you know, Susan Rice and John Kerry don’t have as much of an orientation this way in the – in the first place and I think you make a good point, it’s – it was illustrative to see how the president spoke about the, you know, respective territorial assertiveness of Russia and China in his UNGA speech, for instance, right/? I mean, he spent five paragraphs talking in pretty heated terms about Russia. Now, obviously, Russia’s a much more overt and in some ways sharper but, you know, I mean, China’s is quite aggressive, too. So I think – I think you’re right and, I mean, I think there’s a sense that – yeah, that there’s a sense, also, that it varies, I mean, between a kind of, you know, a hope or an aspiration or a perception of reality that China is both competition and cooperation and it’s sort of hard to balance those two things, but also to some extent maybe a fear, you know, that taking up against China is a much tougher potential challenge.

But, I mean, I think the – I think the point is, you know – I mean, look, we’re going to be fighting Islamic radicals for the foreseeable future and that’s necessary and inevitable but the Islamic – I mean, Francis Fukuyama has a new book out (and an ?) interesting review, and I think he’s completely right. He said Islamic radicalism is not a threat to the established global order and, kind of, Western civilization. And China’s not a threat to Western civilization but it is a potential challenge, at the most fundamental level, to the established global order. I mean, it will have – it could have the power, potentially, to really, really change things in a direction that, you know, they want and we may not – we may not – we may not like and, you know, even Russia poses a very significant challenge but, over the longer term, Russia is also – you know, has much more serious limitations on its potential power than China does and, you know, I think it’s very striking that there isn’t a sort of sense that, wait a minute, these other things are kind of up and down and (up ?) because Russia’s a bigger issue but, you know, why are we spending all this time on ISIS? You know,
which is, you know, a barbaric threat that needs to be dealt with but when these are, you know, very intense but short-term kinds of things where we’re going to have to have a long-term perspective but cannot change the fundamentals of the global landscape in a way that China’s rise can. And, you know, why that is, is a little bit of a mystery to me, actually.

DR. CRONIN: You’re willing to give the administration the benefit of the doubt if it had a public strategy saying, this is our strategy towards the region, or if privately, officials in the last three years have been busy briefing us on the side, as they do all time, talking about the strategy. And we saw that a lot more in the first administration – first term of this administration than we do in the second. So it’s very hard to believe that this is a strategic calculation, it’s more of a tactical calculation, in my estimation, of what they’re up to. But, for some of the same reasons you suggest, which is to say yeah, this is not necessarily the time to make enemies everywhere, we – let’s capitalize the stability with China, let’s move ahead on these other fronts that we’re already (rolling ?) It’s not as bad as it looks; I mean, look at all the things we have actually done, even if we haven’t communicated it well. And so, you know, tactically, yeah, they’re playing that card – maybe they’re consoling themselves that it has some strategic rationale, as well, but I don’t think they’re – I don’t think they have a clear strategy.

DR. RATNER: Let me just say quickly on this, I think it is – I wouldn’t interpret their desire for cooperation as a rosy-hued – just as this sort of aspiration for this very positive U.S.-China relationship. I think – to Jeff’s question, I think there is a genuine view that on many issues that are important to the United States, to the administration, that China could play a huge spoiler role. So it’s not about the U.S. and China solving the world’s problems, it’s about, what does Iran look like in a world in which the United States and China have a very bad relationship? Or North Korea? Or Syria? Or climate? That a lot of this, even if it’s not U.S. and China are going to solve all these problems, a very bad U.S.-China relationship has cascading consequences outside of this. Now, whether that’s right or not, whether we could live without it –

MR. COLBY: But I just – I just – the only thing I would say is just this – if that’s true with Russia, as well –

DR. CRONIN: And you – and yet, you see a very different perspective towards Russia.

DR. RATNER: Not – your points are –

DR. CRONIN: But the problem with Russia is Putin – it’s not – so –

MR. URWITZ: Clearly, we’re in lockstep –

(Cross talk.)

Q: That’s easier, I guess. I was trying to get a sense of your thoughts on the likelihood of – (inaudible) – TPP in the near future? Do you see the overseas – (inaudible) – negotiations with Japan and the partners as the main obstacle right now, or is it the difficulty in getting Congress not
to block it? And if polls go according to what we see today and the Republicans do take over the Senate, is that good – a good thing? Is that better or worse for the prospects of the TPP?

DR. CRONIN: Yeah. The problem with TPP right now, having left it to the post – the last two years of the administration, is that not only do you have to finish the tough negotiations that – with different countries, like Japan, on these sectorial issues – this is months after you’ve – you come home from the president’s last trip to Japan, and you swear to god that, my god, we’ve got a TPP deal with Primers Minster Abe. It doesn’t materialize. Now, we still have the tough issues, still, to go. Abe is weaker today than he was back in April and you still have those – and even – whatever we accept with Japan, then can we sell to Australia, can we sell in the region? So we have the hurdles out in the region first. Let’s finish the deal; let’s come home. Hopefully, the White House can bring this home and bring – you know, with USTR – bring home a framework deal. And then, it’s the second hurdle – it’s – the administration has to do what it has not done to date, it has to take this like it’s a serious initiative on the part of the White House and it has to go to Congress and be willing to make some compromises.

Now, Republicans take the Senate by 51 seats; that’s the bet right now. If that happens, it means more compromises are necessary to satisfy a Republican leadership that has just won control of the Senate. My view is you’re going to have trade be an option for the Republicans. That is, they want – they want to see something happen in their Congress, as well, if they – if they’re controlling the Senate. So you’ve got that going for it. So it’s a mixed blessing, if you will, from the White House perspective. You’re going to have to make compromises even more when the Senate is run by the Republicans. At the same time, these are Republicans in one trade, in general, 80 percent of them, one trade, and want these trade agreements.

So you’ve got to – you’ve got the possibility of a deal. That means that you can get trade promotion authority and TPP passed sometime in the next 12 months if you make this one of your top two or three priorities, like health care was in the first term. But if you don’t do that, it will languish and will not pass and it will be left to your successor. That’s my prediction.

DR. RATNER: Yeah, I mean, I think the domestic politics – just if I had to answer your question I would say we can get the deal done in the region but the domestic politics are still very difficult to predict.

And the effect of the election is anyone’s guess, but I’ll just say the White House has to do its part to open its arms to the Republicans, but unfortunately there are political incentives for the Republican Party not to see this thing pass insofar as they don’t necessary want to offer a win to the president and they may be interested in seeing a centrist Democratic presidential candidate having to fight out his or her position with members of her own party on the left concerned about labor and environment. And so my hope would be that the Republican Party would put national interests ahead of those politics but we’ll have to see how that goes.

MR. URWITZ: Bridge can speak to that. (Laughter.)
Go ahead, sir.

**Q**: Thank you very much. My name is Mizumoto from *Jiji Press*. I have one quick question about U.S.-China recent meeting. So what is – what is potential essential achievement in – (inaudible)? Are they going to have a concrete agreement? What do you think about that?

**DR. CRONIN**: Japan and China?

**Q**: No, no, actually U.S. and China.

**DR. CRONIN**: Oh. Will they have a concrete agreement? I think they’ll talk about agreement on several issues.

**Q**: Right.

**DR. CRONIN**: I mean, it was just consistent with everything we’ve been working on. We have an enormously diverse set of channels right now between the United States and China.

But China has just announced they’re going to spend more money on the Ebola virus, right? So they’re going to capitalize on this current global pandemic, which is a real issue. It’s something that people know and recognize. I mean, look, we just quarantined three states in the United States and now we’ve got a civil war breaking out in, you know, the press over whether we should have done this or not. It’s a serious issue. And so that’s important.

On ISIS as well, I think, in terms of at least talking about the need for Chinese support as we continue to manage what is a protracted problem in terms of this radicalization threat. So the global agenda issues –

**Q**: Yes.

**DR. CRONIN**: – I think we’ll have some tangible things. The question is in the region, what, if anything? I think it will be the general desire for a stable relationship and reinforcing that – different interpretations in Beijing and Washington on what that means – some confidence-building measures on the maritime issues.

Those are welcome steps. These build on what the Chinese have already been trying out in various forms, especially over the last year: the CUES forum, totally voluntary discussions about a code of conduct but not actually moving toward anything binding; the discussions about hotlines. I think there will be some specific discussions about the mil-to-mil relationship that will be real, but they’ll be essentially superficial relative to the real weight of the problem and the challenge and the competition.

So I don’t see a strategic agreement coming out of this. I do see a discussion of – accord coming out on a number of areas, and then some areas we’re going to disagree, including on if Hong Kong flares
up, or if other issues – a flare-up Taiwan issue even could be raised if you just think about the election coming up. I don’t know if they will be but you never know what will happen in Hong Kong.

Q: So how about the U.S.-China investment treaty? Are they going to reject some –

MR. URWITZ: The investment treaty?

DR. RATNER: We’ll see. I think that would be one of the areas that I think both sides would like to see progress on. And I would just echo Patrick’s point. I don’t think we’re going to see a big, grand communique, a new era of U.S.-China relations. I don’t think the administration is interested in that. They’re interested in specific, concrete outcomes that will be in confidence-building measures on the military side, possibly on the investment side, possibly on climate.

The Istanbul process, the fourth meeting of the Istanbul process on Afghan reconstruction and political reconciliation will be in Beijing on October 31st, so there might be things they need to talk about on Afghanistan. And then I think some people-to-people social forms of cooperation we’re likely to see some very concrete announcements on.

MR. URWITZ: In the back there.

Q: You guys mentioned this briefly but I was going to ask about Hong Kong. Is that something that the United States is going to raise with China?

DR. CRONIN: Well, will they raise it in private and tell you afterwards that they raised it in private? Yes. Will they raise it publicly in response to a reporter’s question at a press conference? They might, especially if – as Ely suggested in his initial comments, if there’s an incident during the trip: incarceration, beatings, something goes viral on the Internet in terms of some protesters, the breakdown of communications and discussions between the protesters and the government.

Those are the kinds of things that could be a catalyst for this to be a news story, but I think the administration’s going-in position is to accentuate the positive and minimize the negative, and that means the human rights. To the extent we talk about human rights it’s more likely to be the North Korean human rights reports and why China didn’t go along and let this be referred to the ICC, the International Criminal Court, or it’s the human rights in other areas that we’re concerned about, including in the Middle East.

I can’t imagine the administration is going to go into China and openly – open up this issue when it’s trying to get an investment treaty, potentially, when it’s trying to show that it’s working with China. So it will be an issue, yes. We disagree on democracy. We disagree on human rights. Everybody knows that. The question is, what can we do about it, especially when you’re trying to advance your strategic interests?

So I think we’d be – we’d be sending the administration down the wrong path if we, on one hand,
you know, criticized them for not being more strategic and then tell them, but by the way, they need to emphasize more human rights issues, which, while are important for our values, stray from the actual interests of the U.S. government.

DR. RATNER: And I think on this issue, in and of itself, outside of the broader issues, the administration doesn’t have any interest in fueling the narrative from Beijing that events in Hong Kong are somehow the result of external actors and foreign forces. So I think there’s, in some ways, not much to be gained by the president going to Beijing and supporting the protesters in a way that undermine the legitimacy of their own political statements.

DR. CRONIN: Yeah. Your best sources are the people on the ground, I think. And keep writing the stories. (Laughter.)

Q: Yes, I have a question about AIIB. You mentioned that there has been a setback from the original expectation by China. Does that mean the U.S. was successful in blocking Australia in Riyadh from Jordan? And although this may not become a true story at APEC –

DR. RATNER: Right.

Q: – this time around, but China will proceed with that anyway, right? And how do the U.S. –

DR. RATNER: They will, but I think – I mean, despite the subtitle of that article, which I had no ability to choose or see before it went up on the Internet – (laughter) – I think it – you know, overplaying this as a U.S.-China struggle I think is probably – I mean, it might make good press. I don’t think that’s really what’s at stake here. I think the question is, is this institution going to adhere to international standards on environment, labor, anticorruption and governance and whatnot? And the concern that all of these countries had was that China had given no good indication that it would.

And so I would say, is this a victory for the United States? I think it’s a – it’s a victory for countries who want to ensure that these types of standards and values are going to be included in this organization. And I think going forward the question for Beijing is, do they want to have sort of a cutout organization, like the Shanghai Cooperation Organization, that’s seen as a China-dominated niche organization, or do they want to have an internationally legitimate institution, which they could if they said to all of these advanced economies, yes, we want you to participate. In exchange for that, we’re willing to work with you on building real standards here.

So I think, from my perspective, this is a positive development insofar as it not – it undermines the bank and ensures that it’s not ever going to become of anything, but probably dramatically increases the likelihood that it will, in fact – Beijing, because it wants that legitimacy, wants to include these countries is much more likely to build in those kinds of rules. So I think that’s the story.

MR. URWITZ: I think we have time for one more.
Q: Just a quick follow up on AIIB. So you think this issue is going to be discussed between President Obama and Xi Jinping – you know, between U.S.-China, something?

MR. URWITZ: We’re not part of that discussion.

DR. RATNER: I don’t have much of a comment on that. I don’t think it’s going to be – I don’t think it’s on the top list of either side’s interest. I think – no, not at this point.

DR. CRONIN: My point in this is that we’re missing the strategic opportunity. That is, this is defensive we’re talking about. Where is the offense? The United States ought to be undertaking, with Japan and others, through the Asian Development Bank, a major infrastructure development, by which we mean not tens of billions of dollars, but using our technology, our knowhow, our environmental sensitivity to develop something like the Mekong.

So the Chinese move their engineers in, and they make the Army Corps of Engineers look like the Sierra Club. That is, they do a lot of damage, long-term damage to the environment, to the livelihoods of people. It’s Japan and the United States and others in the region that can actually tell people how to use cutting-edge technology that’s much less expensive – micro hydro power, for instance, along the Mekong would not cost that much money. We could put together an initiative.

Where is it? We’re missing that. That’s what’s missing. You know, this is the dog that didn’t bark. We are missing the opportunity. And what I fear really about the next two years of this administration and the gridlock of Congress that may come about and may be accentuated by a different change in the Senate would be that we miss even bigger opportunities while the region doesn’t sleep. The region will keep moving. China will keep moving.

That’s why this is not a partisan issue. This is a bipartisan issue. This is – this is long term but it’s happening right now, every day. We’re missing these opportunities to shape this region more toward inclusive rules-based system. And that’s the – you know, it’s not that – it’s good for China to develop infrastructure and we’ll hold them accountable to global rules, we hope, but in the meantime, what are we doing? What are we doing about the infrastructure?

And there we’ve been asleep and that’s been gridlock across our Congress and with the White House. I mean, so it’s – I’m not apportioning blame to any one party, but it’s a matter of our leadership and our effectiveness, and it’s rebalancing, you know, in a comprehensive way. It’s with strength, and it’s being ready to take initiative and do contingencies, not simply just react defensively to everything that happens in the region.

Q: Is there discussion of something like that?

DR. CRONIN: Well, it’s a bit late, isn’t it? I mean, where is it? Yes, I would have been working on this a long time ago. I wish there were a discussion about that. I mean, what I’m led to believe is, you know, the discussion was very lively for about 24 hours and it was just too difficult.
MR. URWITZ: Thanks, everyone, for coming. We had a lot of people here. (Applause.) Just a quick reminder that all three of these experts are available for interviews. As always, please just let me know or contact them directly. And we hope to be doing these again in the near future. Thank you.

(Cross talk.)

(END)