

THE OBAMA ADMINISTRATION'S PIVOT TO ASIA

MR. KAGAN: It is a tremendous pleasure for me to introduce a good friend and a really fine public servant, Kurt Campbell, who is the Assistant Secretary of State for East Asia and the Pacific.

I have to say, he can't say it, and he'll contradict me as soon as he gets a chance to speak, but Kurt has been really one of the leaders of U.S. Asia policy in this latest round of Administration policy.

There has been a tremendous increase recently in attention paid to Asia, with presidential visits, Secretary of State's visit, and really a key part of masterminding that has been Kurt Campbell.

We have known Kurt for a long time. He's been in the Defense Department. He's been a leader of the Aspen Strategy Group. He's one of those people who is a serious thinker, but also a very effective policy maker.

Those of us who have been in Government know how rare a combination that is.

We are very grateful he has taken the time to come join us today and talk about Asia policy.

Kurt, I am going to tell you the bad news first. The bad news is we have had a conference here that began at 8:30, and now it is 3:30. Asia has not been mentioned,

except as an adjunct to Afghanistan.

The one time China was mentioned was Senator Kirk hoping that perhaps we could open a supply line through Aruchi, but other than that, it has been Middle East, Arab Spring, Afghanistan, Iraq.

I know that one of your concerns when you came into this job was that we hadn't focused so much on that part of the world.

Nevertheless, I don't think our conference is so different from even where the current Administration still has to focus on what's going on in the Arab world.

My question is this, as the United States overtly and sort of in a stated fashion makes a so-called "pivot" to Asia, how credible are we out there in terms of really turning our attention, in terms of really staying when everyone can see that we are still highly absorbed in the Middle East?

ASSISTANT SECRETARY CAMPBELL: Thank you, Bob. It's a pleasure and a privilege to be here. I really appreciate it and look forward to the interactions.

I think it is widely regarded in Asia that we have taken the initial steps, the important steps, that signal that we recognize at a fundamental level that most of the history of the 21st Century is going to be written in the

Asian Pacific region, and anyone who doesn't really understand that just needs to look at trade dynamics and educational issues, population issues, climate change, anything.

This is the dominant arena of strategic interaction. I think it is in our best national interests to demonstrate that we are going to play a central role in that drama, just as we have during the 20th Century.

I think the challenges though, Bob, as you laid out, are very clear. First of all, everyone appreciates that our commitments in Afghanistan and Iraq are central to our overall effectiveness, how we conduct ourselves not only there but in other parts of the Middle East are essential.

Not only essential in their own right, but frankly, they are essential in terms of how we conduct ourselves in Asia.

Any sense that we are not fulfilling our larger commitments will be read as a sign of weakness, which is not in our strategic interests.

I think there is also another recognition that is a powerful one. If you look historically -- Bob, you have written a lot about this.

At the end of substantial martial strategic

engagements, at the end of the First World War, the Second World War, even the Korean War and the Vietnam War, there has been a tendency in the United States to want to come back home, to focus more on domestic pursuits.

I think what we are trying to articulate is that rather than a come home now -- you can see that across the political spectrum, more and more calling for more focus on domestic issues, that we believe link directly to our economic performance, to our strategic parameters, to everything that we want to accomplish, that Asia is going to be central going forward.

I think you are right to say there are questions. I believe the questions have gone from being essentially about you are preoccupied and we are concerned by it, now in Asia, it is much more you are demonstrating that you are spending more time, you're focused on trade, on military issues, on high level diplomacy, can you sustain it.

I'll take that second question over the first every time.

MR. KAGAN: Well, let's talk about whether we can sustain it, because obviously now one of the big topics of discussion today has been the issue of the defense budget and the possible sequestration.

How do we -- a lot of -- and I think you would

agree that a lot of what East Asians, Southeast Asian countries, Australia and others are looking for from us, at the very least, is a military commitment, an ongoing military presence. Are we going to be able to sustain that military presence, given potential dramatic cuts in the defense budget, but even if we don't get the full sequestration and you're still cutting, how do we make that point to them?

MR. CAMPBELL: Well, we have heard directly from the President, from the Secretary of State, from the Secretary of Defense that it is the strong determination of the government to make sure that if there are cuts, they do not affect our overall performance or our standing or our capability in the Asia Pacific region.

That is just one, Bob, of the several challenges that we will face. Another, it has to be clearly stated that although we have spent an enormous amount on defense issues over the course of the last several years, most of it has been focused on post-conflict reconstruction and ground operations.

If you look at most of the big countries in the Asia Pacific, they have invested very substantially in power projection capabilities, naval, air force. We are still going to have to measure up in that set of arena and

that will require substantial capabilities and focus going forward.

I think it is also the case that as you talk about a pivot, it is not just a pivot from Middle East, South Asia, to Asia as a whole. But if you look at most of our focus, it is traditionally been in Northeast Asia, and we have not done as much in Southeast Asia or in Australia. We have taken a first step with regard to an important Marine component in Australia.

We have to create an operational conception that links more the Indian Ocean with the Pacific. These are going to be the two dynamic oceans of our future. We are going to have to be more geographically dispersed. We are going to have to work with more nations that will sustain a strong American presence in the Asia Pacific.

And so probably the most important thing in my view is a recognition that this is not something that can be completed in just a couple of years. And the great achievement of Asia policy overall for decades has been that it is generally bipartisan.

There has been a strong general commitment to the foundational aspects of our policy, commitment to our allies and our strategic partners, a recognition that our military presence is our ticket to the big game, a

commitment to free, strong trade that we are an optimistic economic player in the Asian Pacific region and a recognition that you have got to deal with emerging players on the scene.

Those emerging players on the scene however go beyond simply China. It's India, India as an Asia Pacific player, Indonesia, Vietnam, the Philippines and obviously an important relationship with China.

MR. KAGAN: Let's talk about China a little bit because I think as China, as Chinese officials look out at this pivot, I think it's fair to say that at least some people in the Chinese government probably see it as aimed at them when they see us opening up and new military presence in Australia, when they see the Secretary of State making strong statements in Hanoi and elsewhere about the South China Sea, the word that they like to use, we never use it, but I'm not sure that they're wrong in using it, is 'containment.'

And what they see out there on our part is containment. How are the Chinese reacting, in your view, to this clearly more assertive American position? And I know you're going to have to go through all the necessary -- but we're engaging and all that kind of stuff, but I'm really curious to know how are they responding to

this?

MR. CAMPBELL: Why don't I just avoid that part of it, since it's --

MR. KAGAN: Sure.

MR. CAMPBELL: But I will say this. We, obviously, as many of you know, Secretary Clinton, two weeks ago, a week and a half ago, was in Burma, first trip of the Secretary of State in over 50 years. Not the official position, but there was some, you know, talk in and commentary about, you know, whether, you know, this trip was somehow aimed at another country.

The truth is that we have our own independent challenges and relationship with Burma that has stretched back decades and that we made our policy choices and determinations directly because of our own desire to seek a better future for the people of Burma. It is also the case that at a strategic level one of the most important things for Americans to understand about Asia, and I had one of those awkward situations a couple of weeks ago. I was staying at -- many of you may have been to Japan, to -- there is a hotel called the Okura, and I heard, you know, you're exhausted, you get off the plane and knock on the door.

And there is -- I went and I had a little cupcake

and 'Congratulations,' this is the 250th time I had stayed at that particular hotel. That is -- that is a sense, time to get back home. But the truth about Asia Pacific and the -- what we all have to recognize as a player and a major player, a dominant player, is that every country in Asia wants a better relationship with China. That's just a fact on the ground.

So it's very different than a Cold War environment. And what countries also want is a good relationship with the United States. They want a good relationship with the United States in its own right, but they also believe that a strong, durable, stable reliable relationship with the United States gives them a better ability to deal with the giant in the neighborhood.

And that is not a matter of geo-strategy. It's a matter of geography. China is just a fact on the ground. Its role economically, strategically is enormous. Rarely has a country grown in such dramatic fashion strategically as China has, probably even more dramatic than the arrival of the United States in the 1890s and the 1920s.

And so I would simply say that our commitment to the Asian Pacific region is a reminder to all that we have a strong position strategically, morally, historically, and that that is going to continue on into the future and

that -- and that we are committed to the region. We believe that it is linked profoundly to our prosperity and that we have unique responsibilities in terms of the maintenance of peace and stability.

MR. KAGAN: So the Chinese have not expressed any negative concerns about American policy?

MR. CAMPBELL: To the direct question, Bob, I think the truth is what's happening more and more in China is that there is a much wider degree of voices on every possible issue. You could see it in think tank commentary, in some military publications, and then their official comments to the government. I would simply say in our official interactions, I think the Chinese recognize that we are determined to have the best possible relationship.

We do lay out very clearly what our expectations are on macroeconomic policy, how we want to interact on a whole range of issues, and we have been clear, whether it's on, you know, insisting that certain issues like maritime security be discussed in an open way and also a clear recognition that -- when we are working on issues like at APEC on reducing tariffs, that we hear clearly Chinese perspectives but we also believe that our responsibilities are to our nation and to a larger sense of prosperity in the region.

I think the reality is that this is going to be among the most complex relationships that the United States will ever have. I think there will invariably be times and questions about the pursuits and perspectives on either side. That's one of the reasons why you want a regular, very consistent dialogue with Chinese interlocutors. But as importantly, you want it with the others in the region as well.

MR. KAGAN: Going back, one of the reasons I think the United States and the administration have been able to step into this role so smoothly in terms of reasserting the American presence and commitment to the region is that the Chinese in the first few months of 2010 started pushing fairly hard and unnerving their neighbors partly for what they were doing in the South China Sea but not only in that respect. Do you think that Chinese have -- do they realize -- do they believe that they may be pushed too far? Are you seeing a calibration of Chinese policy or has there been some pulling back as the result of the reaction to their actions in early 2010?

MR. CAMPBELL: Let me answer the first part of the question by simply saying that I have never -- I have worked in Asia for about 25 years now. I have never been -- worked in a period in which the United States' role

was more welcome than now. And in fact, even countries who had problems about various aspects of our -- in our culture or our overall approach are uniformly welcoming in terms of, 'Come visit. Visit more often. Work with us,' and exploring a whole range of opportunities that just a few years ago would be -- would be impossible to imagine.

2012 is an important year in both countries. We will have elections. The Chinese are deeply focused on dynamics that are playing out in our domestic environment with respect to China, but it is also the case that they are going through their preparations for the party congress. And so the truth is, it's probably -- it will take us some time to figure out, you know, whether and how China is reacting to developments in the region as a whole.

Overall there are a number of areas that we have been able to demonstrate that we are working together and cooperating. But again, on some issues like maritime security, like cross-trade issues, Tibet and others, there are obvious differences, and those will continue as we pursue an honest dialogue with our interlocutors.

MR. KAGAN: On Tibet, I -- recently in town was the newly elected prime minister of Tibet. The issue continues to fester. There are obviously a large number of Tibetans who are, you know, engaged in the side of activity

that led to the Arab Spring, self-immolation, and I know the official position of this administration as past administrations is not to recognize Tibet in any way, but one question that has been raised and I think the prime minister himself has raised this. Doesn't it -- isn't it in our interest for China to handle the Tibet issue in a way that is sort of less nationalist, a little bit more tolerant, providing a little bit more autonomy?

Because the argument runs, if China is in fact going to rise and become a powerful player as it already is but even more so in the years to come, there is going to be a big question as to what kind of China is it. So isn't it in our interest perhaps to press a little harder to try to get the Chinese to deal with that issue in a more humane way than they have been dealing with it so far?

MR. CAMPBELL: Well, in fact, we have pressed. And some of the most intense and difficult interactions that I have experienced at an official level have been our interactions with China's interlocutors about Tibet and conditions.

We do believe that a responsible dialogue between the government and Tibetans associated with the Dalai Lama in exile is in the best interests of all concerned. We have encouraged that on numerous occasions we will continue

to do so, and we want not just meetings for meetings' sake but a true recognition that responsible dialogue is in the best interests of all concerned.

And we do note that ten years ago it was the case that it was almost impossible to imagine a degree of dialogue and trust and confidence and discussion across the Taiwan Straits. You can have your questions about how that's played out, but overall, there has been enormous improvement in many dimensions of people to people exchange. There still is a very real security dimension that is of concern.

But in a number of areas, that level of connectivity has been important and impressive. And we see that as potential example of what is possible. And frankly, I think what we have tried to underscore is the tragedy of the self-immolations really speak to a despair and, in many respects, we think, a real profound yearning for a different kind of life.

And so we have continued to raise these issues directly and repeatedly with China's interlocutors. They are among the most difficult issues this administration or any administration faces.

MR. KAGAN: Well, getting to the whole question of China's evolution, I mean I think most people have been

disappointed that there hasn't been more political evolution in China. The theory was that as they modernized economically, as they liberalized economically, as they grew richer, we would see change. And I think that the consensus is we really haven't seen change.

I know early on in the administration Secretary Clinton sort of made a comment that suggested that human rights would be an issue but not a main issue. Is there any possibility of elevating this issue, again, not because -- not only because it fits with our values and it makes us feel good about ourselves but because what kind of China the future holds is really going to be important to us? Is there any possibility that we're going to be increasing that issue?

MR. CAMPBELL: Well, the only thing I would say, obviously that comment, you know, on one of the first trips, and I think if I -- I mean obviously she is my boss, but I believe this. I think it has been taken out of context. And I think if you look at what Secretary Clinton has consistently spoken out about, whether it's in Burma or last week in Europe or most recently on Russia is a very clear sense that our purposes and our commitment to human rights and democracy is really indivisible from our larger strategic purposes.

And those who try to say, well, look, they're the realists and those who think about more moral and sort of other issues, I think that in many respects, what you have seen in terms of her performance and I would say the larger administration performance is a recognition that these issues are essential.

So we have, I think not only has the Secretary raised individual cases and specific concerns but also I think expanded the ramparts of what is critical with respect to these issues, Bob. So for instance, the work that she has talked about with respect to the internet and the freedom of the internet was something that just a few years ago no one discussed. And I think she has laid out very clearly what should be the guidelines in this respect.

So I don't think one can in any way veer away from the responsibility of these issues in our interactions with China's interlocutors. And it is true that they are not easy conversations, but they are necessary ones.

And by the way, if I can say that, these are conversations -- you're not having them just with Chinese interlocutors. We have consistently told a country like Vietnam that we want a closer strategic relationship with them but we cannot do it unless they take the necessary steps domestically.

We have had a series of conversations in Indonesia, a country we're working much more closely with, about certain enduring concerns but also overall progress. In almost every country that I interact with, there are issues that must be raised in a bilateral context and sometimes multilateral in the realm of human rights and democracy promotion.

MR. KAGAN: And perhaps publicly too. I mean we have seen the Secretary, as you point out, criticizing in pretty strong terms the problems in the Russian elections. I mean can we look forward to her criticizing the fact that there aren't even any elections at all in China?

MR. CAMPBELL: Well, look. You know, I'm not going to put -- she'll speak.

MR. KAGAN: -- put an idea in your head.

MR. CAMPBELL: Thank you. But I would look at the first Holbrook speech that she gave last year with prominent Chinese friends in the audience. It's a very clear lay down of areas where we're going to continue to have discussions, disagreements, but we're going to continue to pursue our larger agenda.

MR. KAGAN: Great, great. I think we have time for a couple of questions if you don't mind taking a couple of questions.

MR. CAMPBELL: Sure.

MR. KAGAN: Yes, sir. Right here, if you could, identify yourself and --

AUDIENCE MEMBER: Ed Rossi (phonetic) (inaudible.) Hi, Kurt, how are you doing?

MR. CAMPBELL: Nice to see you, Ed.

AUDIENCE MEMBER: Okay. I know we talk tough with the Chinese. But give me one or two examples where we have taken some action, that the President has taken, that the Congress has taken, something that the administration has done that has been sort of the carrot, the stick side of a carrot-and-stick relationship, other than talking points and dialogue.

MR. CAMPBELL: You know, I -- with respect, I would probably think of a context slightly differently. And I think the most important thing on the part of the United States is to secure a strong position in the Asian Pacific region and to make sure that our position is welcomed, enduring and principled.

And so what we have tried to do with all our strategic partners, I notice that we are joined by Senator McCain, who is the leading proponent of doing the right thing in terms of American strength in the Pacific region, making the right investments with our allies, being very

clear about what our expectations are in international forum on maritime security.

I think making sure that we make the necessary defense investments and play a huge role in the economic dynamics of the region, I think those are the right metrics when judging whether American policy is successful or not. And in fact, I think a framework like carrots and sticks probably is better applied to a country like North Korea.

The fact is that whether we like it or not, Ed, we have a substantial, profound amount of interdependence between the United States and China. And how to operate in that complex field I think is one of the most important challenges for this generation of Americans and the next.

MR. KAGAN: I think given that Senator McCain has arrived and given that that was an outstanding closing statement anyway, I just want to say -- we have two busy people here, Kurt, thank you so much for taking the time.

MR. CAMPBELL: Thank you.

(Applause.)

MR. KAGAN: You can see that our Asia policy is in good hands.

MR. CAMPBELL: Thank you, Bob. I really appreciate it.