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US Policy in Asia

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About the Speaker

Chan Heng Chee has been Singapore's Ambassador to the United States since July 1996. Prior to her appointment, she was the Executive Director of the Singapore International Foundation and Director of the Institute of Southeast Asian Studies. She was the founder Director of the Institute of Policy Studies. She served as Singapore's Permanent Representative to the United Nations from 1989 to 1991 and was concurrently High Commissioner to Canada, and Ambassador to Mexico.

US POLICY IN ASIA

One of the distinctive features of American democracy is the extent to which two major parties try to emphasise the differences between themselves during an election, only to prove once they are in power, how alike they have to be in order to govern.

This is not surprising. The US body politic is in fact evenly divided between Democrats and Republicans. And that is why all presidential races are tight, and centrism appeals. In fact, Senator John McCain said to me recently as we discussed the Presidential elections, “You know, America is now centre right.” McCain said all the left wing candidates and those that try to be more left than the others would run into trouble.

In fact all presidential races are tight, centrism appeals and frankly, there are not that many options of policy once you govern as the only superpower in the world. There is convergence and compromise in the political process and the enduring interests prevail to shape the path that must be taken.

This is so particularly of foreign policy and defence policy in the United States. And as Aaron Friedberg, a former professor of international relations, now the Deputy National Security Adviser in the Vice-President’s Office, pointed out “changes in foreign policy are not monumental from Administration to Administration but marginal”. Nevertheless, they remain important.

I was particularly struck by what Ambassador Stapleton Roy once said at a panel just before the Bush 43 Administration took over. He was Ambassador to Singapore, China and Indonesia. Roy observed that US-China policy had never really changed that much from Administration to Administration. Roy said no matter what the debate, the rhetoric, indeed the dramatic rhetoric, there was a consistency about US-China policy, so much so that although each Administration might start off with a

declared different policy, somehow, they all came back to the same policy in the end. So Roy intoned, if policy was going to end up at the same point, he wondered why an Administration did not begin where they would finally end. He was right about China policy. This is certainly so in the case of US policy towards major countries where interests are multi-faceted and complex. This is my first observation.

There is a debate now going on about unilateralism in US foreign policy and the unilateralism of the Bush foreign policy. I would like to make a second observation: that US foreign policy has always had a tendency to unilateralism. Under President Clinton, the Clintonites were accused of being unilateral pushing the Washington consensus — deregulation, open markets and free trade — which some countries believe precipitated the Asian Financial Crisis. It was Madeline Albright who coined the description of the US as “the indispensable nation”.

Changes of unilateralism come with the turf. It comes with being the only superpower in the world, and the only effective superpower.

I have been in Washington, DC for a little over seven years. It has been a long run. I arrived in July 1996 to watch President Clinton being re-elected and I am about to watch President Bush running for his second term. I have been able to observe Asia policy under President Clinton and Asia policy under President Bush.

Let me just say a few words to summarise the Clinton Administration because I don't intend to be a historian this morning. Under President Clinton, I always lamented that whenever one speaks of Asia policy in Washington, in the United States, you are talking of Northeast Asia Policy. There was no sense of strategy or policy towards Southeast Asia at all. Southeast Asia simply did not feature that much under the Clinton Administration.

Even Clintonites will now say that Clinton's first term was a disaster for Asia. The Administration picked fights with Japan (Japan bashing over trade), China, and with ASEAN. The US picked fights with Singapore, (you will remember Michael Fay), with Thailand (Banharn was elected and he had a background which Washington questioned and a member of his team could not get a visa so easily to go to Washington.) The US also took issue with Indonesia and Myanmar.

The second term was much better. The Chinese relationship developed and warmed up. Singapore's relationship with the United States also grew much better. We even launched the FTA at the end of Clinton's second term.

Japan bashing decreased in the second term but Japan was insecure because of the growing warmth of relationship between the United States and China. It always seems to happen, that when the United States warms up to China, Japan gets insecure.

But there was no policy on Southeast Asia. The 1997 financial crisis highlighted this very clearly. Look at the way Thailand was treated and how South Korea was treated. Both are allies. When the financial crisis broke out in Thailand, the United States did not come to the assistance of Thailand and that was a very sore point with Prime Minister Chuan Leekpai and his Government.

But when the South Korean currency crisis emerged, immediately there was a bailout. Bob Rubin got together Wall Street and the Korean won was kept better stabilised. The situation was much better handled.

I think the Clinton Administration learned from this, and by the time it came to Indonesia, they were right behind Indonesia. But I think Thailand always remembered that particular episode, since they are allies.

So one can conclude that no clear Southeast Asian policy exists, though under the second term of the Clinton Administration, by the time the political transition started in Indonesia in 1998, the US developed a strategic concern for Indonesia. Indonesia fortunately carries this label "too big to fail". There is a belief out there that neither the US nor Japan can walk away from Indonesia, so Indonesia has that particular advantage.

Senior Minister Lee Kuan Yew has always made the point that he thought the United States pushed for 'discontinuity' whereas they should have gone for policy of 'continuity'. If you have a difficult IMF package to implement, you would want a man who can in fact push this through and that did not happen.

I would say during the second Clinton term, the ASEAN relationship was held hostage to Myanmar. It comes in different ways. I was in the ASEAN chair in Washington. We have an ASEAN Washington Committee and Norman Mineta was newly appointed as Commerce Secretary. I arranged for the ASEAN Ambassadors to

call on the Cabinet Secretary. Suddenly, the meeting was cancelled. I think we were stopped from seeing him because Myanmar was a member of ASEAN. We were going to see a Cabinet Secretary and Myanmar was not supposed to get access to a Cabinet Secretary. But this is ASEAN going to see the Commerce Secretary. I complained about this and I told people that this was wrong, you cannot hold ASEAN hostage to Myanmar. This point was taken by the Bush Administration when it came into Office that ASEAN should not be held hostage to Myanmar and so access was given for the ASEAN Ambassadors to call on Cabinet Secretaries as a grouping.

And after the Anwar Ibrahim episode, the Malaysia relationship went sour. So that summed up the Clinton policy towards Southeast Asia but the key point was that they had a very good relationship with China in the second Administration.

For Southeast Asia, Singapore was at least, appreciative that they were concerned about what was happening in Indonesia because Indonesia is a big country and was going through a very difficult crisis.

What about the Bush Administration and Asia? As you all are aware, when the Bush Administration came into Office, they were determined to be un-Clinton in all its aspects of foreign policy. During the election campaign, Bush's foreign policy and security team attacked the Clinton's foreign policy as lacking consistency and strategy.

In fact there was a very important piece written by Richard Armitage et. al., including Paul Wolfowitz, who later became members of the security and foreign policy team. They put up the ideas on what the policy to Asia should be and this was incorporated in the GOP platform in the Philadelphia Convention of the year 2000.

The key words in America's foreign policy on Asia gave emphasis to allies and friends. Allies like Japan, the Republic of Korea, Australia, Thailand, and the Philippines. And friends like Singapore, Indonesia, Taiwan, and New Zealand. The US-Japan alliance was to be regarded as the foundation of peace, security and prosperity in Asia.

The key challenge at this particular stage of the game was identified as the People's Republic of China, which was declared to be a strategic competitor not a strategic partner. And in that platform, it also said "we (the US) will deal with China

without ill will but also without illusions. A new republican government will understand the importance of China but not place China at the centre of its Asia policy.” Now that was before the Bush Administration was elected.

In discussing the Bush Administration foreign policy, it is very important to know that September 11, happening a few months after the Administration came into Office, is central to understanding US foreign policy today. You can talk of foreign policy before 9/11 and foreign policy after 9/11. After 9/11, foreign policy was viewed through the prism of the war on terrorism.

On the whole the Bush Administration has been good for Asia. In fact, the Bush Administration did follow what it said in the election platform: that it would give emphasis to allies and friends. So all the allies and friends felt very comfortable with the Administration.

9/11 also was good for Asia: Northeast Asia and Southeast Asia for it created opportunities for new partnerships and coalitions. Now I am aware of the pressure that the war on terrorism put on many countries particularly Muslim countries. And there are strong anti-American sentiments in some Southeast Asian countries particularly where there are Muslim majorities. But on the whole, the war on terrorism created opportunities for the creation of new coalitions and new alliances.

Leaving aside the EP3 incident, the first four months of the Bush Administration was a new era for Asia because President Bush had in fact received within the first few months the following Asian heads of state and government: Japan, South Korea, China and Singapore. Singapore went into the White House by May. It never happened under Clinton with a Southeast Asian country so early in the queue. And following Singapore were the Philippines, Thailand and Indonesia. All in the first year. Now that is unprecedented and unheard of. Malaysia went into the White House in March, April 2002. So I would say that’s one of the points that Asian countries do note.

Secondly, I believe Condoleeza Rice and Steve Hadley as NSC Advisers came into Office wanting to help strengthen ASEAN. They came from a European experience and believed in confidence-building mechanisms. They wanted to be

helpful with ASEAN, except ASEAN wanted to do things its own way. ASEAN was also too engrossed in individual recoveries, so nothing much was done.

Thirdly, the Bush Administration by the year 2002 launched the Enterprise for ASEAN initiative at Los Cabos. With Singapore, the US was determined to complete the US-Singapore Free Trade Agreement but that was just a start. The US declared in Los Cabos that they would launch the Enterprise for ASEAN Initiative. What does this mean? For all the ASEAN countries that are not WTO members, the United States will support their WTO accession.

For those that are WTO members but have not signed TIFA — Trade and Investment Framework Agreement — the United States would sign Trade and Investment Framework Agreements with them. Malaysia is about to sign a TIFA soon. For those that have TIFAs already under their belt, the United States would be prepared to begin talks for an FTA, if these countries were prepared to do so.

Thailand has said it wants a Free Trade Agreement. Negotiations are launched. The US has declared intention that they would try to do an FTA with ASEAN by 2010 or for as long as it takes. This is seen as a project in the distance. As you know, there are now FTAs all over the region, all to be completed by 2010. It is contagious influence acting, one impacting on the other.

Finally, President Bush in his visit to APEC, will be stopping at Japan, Philippines, Thailand, Singapore, Indonesia and Australia. Again it is unprecedented. In the past, the US President would visit the host country and one other country or a country on the way to the APEC. But this initiative of President Bush covers many countries.

Is it just symbolic and cosmetic? It is symbolic, but it is a very important symbol because time means investment and commitment of some sort especially when there are about 180 countries competing for attention. But at some of these stops, there are actual deliverables. In Singapore, the deliverables are the REDI centre to fight emerging diseases and discussion about the Strategic Framework Agreement, which is really a continuation and formalisation of some of the things that had happened since the 1990 MOU.

But Thailand was declared a major non-NATO ally. Philippines is a major non-NATO ally and they had a package also. So these are just some of the positives for Asia under the Bush Administration in a very quick summary.

There have been rocky times. Even with Bush it is not an easy relationship. China went through a rocky period with the EP3 incident, and South Korea — though it is an ally and in the declared platform allies would be given emphasis — South Korea found in the first few months of the Bush Administration felt that it didn't have such an easy relationship because Kim Dae Jung came to Washington emphasising the Sunshine Policy. The Bush Administration was not interested in the Sunshine Policy. But the two countries have since sort of worked things out.

Let me very quickly go through some of these major relationships in terms of the survey on the Asia policy. I will do China, Japan, Korea briefly and touch a little on Southeast Asia and then talk about Asia and unilateralism.

China. The US-China relationship is the most important relationship in East Asia because when the relationship is destabilised, when there is tension, it affects the tone and the sense of stability in the entire region.

Given the GOP election platform and the neo-con (neo-conservative) views right from the start, Asia was generally curious and wary about what would happen in the US-China relationship.

The key issue in US-China relations is Taiwan. The Republican Party is supportive of Taiwan, seeing it as a democracy and a modern economy. I think the Administration is also concerned about giving Taiwan what they call "dignity of treatment".

But the US-China relationship got off on the rocky start because of the EP3 incident that happened very early on in the Bush Administration. All of you are familiar with that incident, but my take on the incident is that fortunately, the confrontation came early, because both sides immediately backed off when they realised what could have happened. And since then, President Bush, after this incident, was resolved that he wanted to make it clear that good relations with China was important to him. He did not see China as an adversary. He makes it clear now and again. He also does not want to play the China card. Once the President sets the

direction, it puts limits to how 'off-keel' a relationship can get. Today, the US-China relationship has never been better. In fact, before I came out back home, there was a speech by Colin Powell, Secretary of State who said that not since 1972 has relations been this good between the United States and China.

September 11 also created many opportunities for the reduction of tensions between the United States and China because until then China was on the radar screen of the United States. I think my Chinese colleagues in Washington were very glad after 9/11 in the sense that attention was now not focused on China, but on the Middle East and on Afghanistan. So China is now taken off the radar screen in Washington.

Both countries feel threatened by militant Islam and I think Beijing has taken steps diplomatically and in the intelligence realm to work on the war on terrorism. China is also seen to be helpful on North Korea and even in the case of Iraq. It is certainly seen to be less difficult than some of the European countries, Germany or France.

But China is a rising power. In the United States, it is regarded as the closest rival to the United States, the next biggest boy on the block, and with that comes a certain reservation. And so, inherent in the relationship is tension and challenge although the Administration key leaders try to keep the relationship calm, there are always factions in the Administration and this is a foreign policy made in a democracy. There are also interest groups that try to push it here and there.

In Congress, in spite of what Secretary Powell has declared that relations have never been better, the trade deficit with the United States does rankle. There is a fixation with the Chinese currency at the moment and the loss of jobs.

So there is in the US-China relationship three major issues: (1) Taiwan, (2) the war on terrorism which puts some emphasis on the proliferation of the weapons of mass destruction and so United States tends to monitor Chinese transfers of weapon technology to the Middle East, to Southeast Asia and Persian Gulf and that could be an issue; and (3) trade issues. It is both a good thing and a bad thing. Bad because the growing trade between the United States and China will bring trade issues to the fore, good because it will put a break on relations going too bad. When I arrived in Washington, DC in mid-1996, if you looked at the top ten members who were trading

partners of United States, China was not there. Today, in 2003 China is the fourth largest trading partner of the United States.

Two-way trade between the United States and China is US\$155.6 billion and the trade is in favour of China. The US exports US\$22 billion to China and imports US\$134 billion of Chinese goods to the United States. Trade deficit is about US\$112 billion which is why Congress is getting very agitated.

But I am not sure currency devaluation is going to help very much.

I was interviewed on CNBC before this. I said “You know, we have lost jobs too. Singapore has lost jobs to the region. It is part of globalisation.” Think of it in this way. As oil is to the Saudi economy so labour is to the Chinese economy. China sets the floor price on labour. That is the nature of the country and the economy.

But I think these will be the three issues. But President Bush as I said has set the direction. He wants a good relationship with China and now the Administration finds China extremely helpful. They reiterate the United States has a “One-China” policy, and by reiterating that it eases the tension in the US-China relationship.

I want to add one more point about the defence posture and policy because that ties into Asia policy too. Early on in the Administration there was an indication that the United States wanted to move more resources to Asia and change the defence posture so that there would be far more resources put in Asia.

Andrew Marshall who is the Director of the Pentagon’s Net Assessment Office made a study where he declared that the Pacific was the most important region for military planners because of the rapid economic growth and military modernisation taking part in the region. He advocated that the US should reduce its Euro-centric focus and increase the range and striking power of its forces in Asia while at the same time reducing reliance on increasingly vulnerable bases.

There was a quadrennial defence review that was published in 2001, which hinted at this change, but it was released at the time of 9/11. Nobody really took notice so the document has gone by the side. Otherwise this would have deepened the tensions.

But at this point, if I have to sum up US-China relations, though there are inherent tensions and challenges, the relationship is stable.

US-Japan relations are going through one of its best periods. The Bush-Koizumi relationship has great personal chemistry but I have asked if this good US-Japan relationship is personal or structural? I think it is more than personal. I believe that probably Japan at this stage under the Koizumi leadership looked on the opportunity to work with the United States on the war on Iraq and terrorism to change the strategic culture of Japan. I think Japan has seized on this opportunity. Also the Bush Administration has eased on Japan bashing. In fact when they came into Office, they said that they were not going to bash Japan the way the Clinton Administration did. So there was no more pressure on the Japanese to reform or change. So that has helped the relationship.

And so now there is a great relationship going and Japan is coming out in a big way with funding for Iraq and even considering sending troops.

On South and North Korea, I think the Korean Peninsula has seen some problems. When Kim Dae Jung came to Washington he did not get a good reception and that was very disappointing for the Koreans as a staunch ally.

United States tried to make up for it but subsequently, by trying to take into account South Korean views in the management of the North Korean issue. What does the United States want to do with North Korea? I think they have made it very clear. They will solve the problem through diplomacy but it must be multilateral talks not bilateral talks, and not bilateral talks within multilateral talks. Secondly, no formal non-aggression pact but they might consider some form of security guarantee. And aid to kick-in only when North Korea shows real intention of giving up its nuclear programme. On the bilateral issue, the United States and Korea would have to deal with force transformation and drawing down some of the US troops or regrouping them.

On Southeast Asia, because the Bush Administration was going to be different from the Clinton Administration, it was determined to put some focus on Southeast Asia. But the war on terrorism has really ensured that there will be attention given to Southeast Asia. The United States is concerned to work with Malaysia, Philippines, Indonesia, and Singapore on dealing with the terrorist network.

It is very clear that Southeast Asia with 250 million Muslims in the region would be uncomfortable with the war on terrorism and war in Iraq. Muslims have asked if it is a war against Muslims. You can talk about Iraq and why there are special reasons for the Coalition to be there but some Muslims would argue they are targeted.

There is a concern in the United States, and in the Bush Administration to deal with the Muslim reaction but it is not very clear what they can do. The United States wants to work with ASEAN but ASEAN has seen stronger days and more dynamic days.

But in Southeast Asia, the relationship with the Philippines is raised to a new level, with Thailand it is very strong and with Singapore, it is very strong. We have signed an FTA and really it has been a very good relationship at every level.

Now Singapore and the US are going to discuss the Framework Agreement for a strategic partnership because we are interested in counter-terrorism and dealing with the proliferation of weapons of mass destruction, policy dialogues and other items of cooperation.

Finally, just a word to round up on East Asia and unilateralism. If you go to Europe, I think you will hear very strongly, comments and concerns about US unilateralism. In Asia, the intellectual elite might criticise US unilateralism. But I must say sitting in Washington, DC and reading all these materials, I don't get a sense that there is a strategic challenge to US unilateralism coming from Asia. There isn't a strategic challenge. The European Union after all was created to counter-balance the United States, and so the EU is trying to fulfil that particular vision and France is taking the lead.

But in Asia, whilst there is discomfort and of course everyone would prefer greater use of the UN, I do not see a strategic challenge to the dominance of the United States or unilateralism. Many of the countries in Asia are quite supportive of the US. They have stepped up on the war on terrorism and on Iraq, South Korea, and Japan. Thailand has sent 400 combat engineers. They are going to send 800. They have sent half already to Iraq and the Philippines is stepping up on this.

Some countries are very unhappy. Malaysia is very vocal on Iraq and I think Indonesia is uncomfortable. But there is no challenge and President Bush is welcomed by Indonesia in Bali. So that is my take on unilateralism in Asia.

On the whole there is a grand strategy notwithstanding the early statement and the platform of the GOP on Asia. The war on terrorism is the major impetus of policy in Asia. And in terms of bilateral relations the United States is developing strong bilateral relations with each of the Asian countries where it can. I would say on the whole, US policy in Asia currently under the Bush Administration is seeing some good outcomes.

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