

Regional Overview:

Bush Asia Policy Off to a Rocky Start

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The first quarter of 2001 began with hopes that North Korea would start acting more like China and ended with the reverse happening. The positive spin emanating from President Bush's first meeting with a senior Chinese representative quickly degenerated into a potential tailspin in Sino-U.S. relations on the last day of the quarter after the mid-air collision between a Chinese jet fighter and a U.S. reconnaissance plane. In addition, mixed signals from Bush's summit meeting with ROK President Kim Dae-jung raised rather than lowered anxiety levels and even prompted the Europeans to offer to step in to help facilitate North-South relations in response to America's "hardline" approach. Reality, in the form both of a surfacing submarine and a sinking economy, also tested Bush's resolve to raise U.S.-Japan relations to a higher strategic level. Meanwhile, the rest of Asia eagerly awaits more information regarding Bush's policies toward regional multilateral initiatives.

Emerging Asia Policy

In January, Secretary of State-designate Colin Powell's Senate confirmation testimony outlining the Bush administration's Asia policy appeared to get the administration off on the right foot. As anticipated, it also signaled a remarkable degree of continuity with past policies. Powell identified America's bilateral alliance network, and particularly the U.S.-Japan relationship, as the bedrock from which all else in Asia flows--this was stated policy during the Clinton administration as well, even if it occasionally suffered in its implementation. Powell also reiterated America's "one-China" policy, with the caveat that "we expect and demand a peaceful settlement, acceptable to people on both sides of the Taiwan Strait." Like its predecessors, the Bush administration signaled that it would not support unilateral attempts by either side to alter the status quo and also would not tolerate any attempt by Beijing to force a solution unacceptable to the people of Taiwan.

Secretary Powell also pledged to support and help facilitate the historic reconciliation between North Korea and South Korea. He stated that Washington will continue to engage in dialogue with Pyongyang as long as it "addresses political, economic, and security concerns, is reciprocal, and does not come at the expense of our alliance relationships." The U.S., Powell asserted, also intends to abide by its commitments under the U.S.-DPRK Agreed Framework, "provided that North Korea does the same." While such remarks suggested a bit more cautious approach than that followed by the Clinton

administration, the basic tenets of the previous administration's Korea policy appeared intact.

Powell also underscored the need to coordinate U.S. policies, particularly in regard to Indonesia, with long-time ally, Australia, once again underscoring that alliance enhancement would be a central theme in Asia. With the exception of Powell's failure to even mention, much less outline, the administration's views on important regional multilateral initiatives such as the Asia Pacific Economic Cooperation (APEC) or ASEAN Regional Forum (ARF), the administration seemed to be off to a good start in defining its Asia policy. As more and more old Asia hands were identified for prominent roles in the new administration, Asians were beginning to breathe a bit easier.

Then, the real world intervened. In early February, a U.S. submarine, while in the process of demonstrating emergency ballast blow, a rapid ascent to the surface, to a group of on-board civilian visitors, collided with and sank a Japanese fisheries training vessel, resulting in the loss of nine lives. Then came ROK President Kim's visit to Washington, President Bush's first summit meeting with an Asian leader. While the meeting was not as bad as many pundits claim, it raised more questions than it answered about U.S. Korea policy and demonstrated that even old pros need refresher training in order to correctly steer the ship of state. The most potentially disruptive event, however, was the March 31 (April 1 in Asia) collision between a Chinese Air Force F-8 interceptor aircraft and an American EP3E reconnaissance aircraft, which resulted in the loss of the Chinese pilot and aircraft and the prolonged detainment of the American aircraft and its crew.

Sino-U.S. Tailspin

Following the collision and the EP3E's emergency landing at a Chinese airfield on Hainan Island, the U.S. was quick (perhaps too quick) to pin the blame on the Chinese side. Beijing, in turn, immediately upped the ante, not only by placing the blame squarely on the "intruding spy plane," but also by demanding a U.S. apology for causing the accident. The international spotlight focused on Beijing, in whose hands rested the fate of the American crew, not to mention the possible future direction of Sino-U.S. relations. If maintaining good relations with Washington was a priority for Beijing, this was not immediately evident from its initial handling of the incident.

This is not to say that the U.S. handled the incident as smoothly as it could have. The initial U.S. reporting pinned the blame on the deceased Chinese pilot and demanded the immediate return of the crew and aircraft (purported to be a piece of sovereign U.S. territory). President Bush forcefully reiterated these sentiments shortly thereafter. One can only speculate what Beijing's reaction would have been if the U.S. Pacific Command's initial announcement had merely reported that there had been an unfortunate, accidental collision and that it appeared, regrettably, that a Chinese aircraft had crashed with its pilot missing. The U.S. could have expressed its willingness to help search for the pilot (which it subsequently did) and offered to assist China in a complete investigation of the accident, while requesting the immediate return of the aircraft and crew. Such an approach may not have changed the Chinese reaction one bit. But, it is

fair to say that the U.S. announcement set the initial tone and may have made the overly defensive, combative Chinese response more likely.

Nonetheless, China's handling of the incident--publicly blaming the U.S. before the facts were known (and in defiance of conventional logic, given the type of aircraft involved) and protesting the U.S. spy plane's "violation" of Chinese airspace (by flying to Hainan Island and landing without diplomatic pre-clearance, despite the obvious emergency nature of the "mayday" divert)--was reminiscent of earlier periodic confrontations between the U.S. and North Korea, when American aircraft inadvertently strayed across the DMZ. Even here, such incidents in recent times have been handled more expeditiously, as Pyongyang determined that a less confrontational approach was in its interest.

Even more disturbing was China's refusal to grant American diplomats immediate access to the crew or to the plane, which was loaded with sensitive surveillance equipment (although much of it was no doubt destroyed or rendered inoperable), and its persistent demand that no one be released until the U.S. accepted full blame and issued an apology.

At this writing, both sides appear eager to find a way to defuse the situation, although neither wants to appear to be caving in to the other's demands. One possible solution would be for China and the U.S. to agree to cooperate in a joint inquiry (or closely coordinated parallel investigations) into the accident, aimed first and foremost at ensuring that this type tragedy does not occur again in the future--a mechanism for such negotiations already exists. As part of such an agreement, China should agree to release the crew once it has had an opportunity to question them about their version of what happened. The surviving Chinese pilot should likewise be made available for questioning to the U.S. side.

Next quarter's issue will look at the immediate and prospective longer term implications of this incident. For coverage of events until then, please refer to the Pacific Forum's weekly *PacNet* Newsletters, which focus on significant current events.

One other brief observation regarding Sino-U.S. relations is in order. Beijing is pushing hard to win the right to host the 2008 Olympics. Many members of Congress, even before the air collision, had called for U.S. attempts to block or defeat Beijing's bid. If the detention issue is not resolved quickly, it will be impossible to deter these efforts. But, even if the standoff ends quickly and to everyone's satisfaction, the anti-Olympics effort is likely to continue. This is counterproductive to America's long-term interests. Hosting the Olympics will shine a huge spotlight on Beijing and may also serve to temper its behavior between now and 2008 (although this is by no means assured). More important, such actions feed anti-American sentiment among the general population in China, which would be generally disposed to work with, if not emulate America. Besides, given the regard in which the U.S. Congress is increasingly held, a strong congressional push is likely to garner China more votes internationally than it would take away.

ROK Anxiety Grows

Senior officials in Seoul told me prior to the Bush-Kim summit that Seoul's primary goal for the Kim-Bush summit is a simple one: to alleviate anxiety. To do this, President Kim sought four things: a personal Bush endorsement of his Sunshine Policy, a reaffirmation of the U.S.-Korea alliance, a continued U.S. commitment to the Agreed Framework and to the trilateral coordination process (which also involves Japan), and a greater understanding of Bush's views on East Asia security through the establishment of direct personal contact. President Kim got what he wanted, but the package was not as nicely wrapped as he had anticipated or hoped for.

As expected and desired, Bush endorsed President Kim's policy of reconciliation and cooperation with North Korea, praising Kim for his "vision" in beginning a dialogue with Pyongyang. Bush also reaffirmed the U.S.-ROK security relationship and the trilateral effort aimed at coordinating policies toward North Korea. Most important for President Kim, President Bush referred to the Nobel Peace laureate as a "realist," a comment that should help the ROK leader deal with increasing domestic skepticism, not about engagement *per se* but about Kim's approach to the North, which critics say offers too much and receives too little in return. If it had just stopped there, Kim would have returned home in a blaze of glory.

To Kim's discomfort, however, Bush publicly registered his own skepticism toward North Korea, especially when it comes to U.S. negotiations with the North on missiles and other arms control issues. While Korean officials and sympathetic media outlets tried to stress the positive aspects of the meeting, most U.S. pundits and wire services stressed Bush's skepticism and his focus on North Korea as a "threat." These negative interpretations, further magnified by the political opposition in Seoul, no doubt embarrassed President Kim and contributed to the widespread cabinet housecleaning after his return home.

Of course, referring to North Korea as a threat is hardly news. The Clinton administration, even as it promoted increased dialogue with Pyongyang, continued to view North Korea as a "state of concern," and the latest ROK Defense White Paper (correctly) identifies North Korea as the South's primary threat. And, while Bush was hardly enthusiastic about future U.S.-North Korean relations, he did not throw quite as much cold water on the process as press coverage would indicate. Bush stated that "we're looking forward to at some point in the future having a dialogue with the North Koreans," even while noting that "any negotiations would require complete verification of the terms." In addition, his statement noting that "I do have some skepticism about the leader of North Korea" concluded with "but that's not going to preclude us from trying to achieve the common objective."

Clearly, President Bush is not going to be rushing off to Pyongyang any time soon. But the negotiation process is not going to be abandoned either. One can hardly fault a new administration for wanting to get its new team in place and its overall policy review completed before proceeding. In fact, the less than smooth handling of Kim's visit

underscores the necessity of such an approach. Nonetheless, Washington must be aware that, rightly or wrongly, its reputed “hardline” approach toward the DPRK feeds ROK suspicions that the U.S. wants to keep the North Korean threat alive in order to justify both its military presence in Asia and its national missile defense (NMD) program.

This is especially true when U.S. actions are compared, as Koreans often do, with seemingly unqualified Chinese support for the North-South reconciliation effort. China’s role was most recently highlighted during North Korean leader Kim Jong-il’s surprise visit to Shanghai, where he seemed to embrace the Chinese model of economic reform, raising hopes that North Korea would soon emulate China in this regard.

A failure by Washington to deal effectively with the mixed signals and resulting perceptions (and misperceptions) could have a long-term negative impact on U.S.-ROK relations. (For more information on the summit and its aftermath, see *PacNet* 9 and *PacNet* 11.) It also results in generally unhelpful initiatives such as the one emanating from Europe to help move North-South negotiations along. There is much the European nations can do in terms of further opening up the North; trying to insert new players into the dialogue process does not appear wise at this point, however.

Japan Relations Back On Track?

The tragic accidental sinking of the Ehime Maru placed an initial strain on U.S.-Japan relations but was successfully managed by both sides. Most analysts agree that the trip by the Navy’s Vice Chief of Naval Operations, Admiral William Fallon, represented the turning point. The willingness of the submarine’s captain, Commander Scott Waddle, to testify at the Navy’s Court of Inquiry (over the advice of his lawyer) and to directly apologize to families in attendance, also helped to defuse the crisis, as did the unprecedented presence of a Japanese naval officer as a member of the review board. Nonetheless, every accident and incident chips away a little bit further at public support for the military alliance at a time when both sides appear committed to redefining the relationship and taking it to a higher level of cooperation; an effort that will, in the final analysis, be impossible without public support.

As an aside, it should be noted that while Commander Waddle’s performance on board the submarine can rightly be criticized and investigated, his courtroom performance--his willingness to accept full responsibility rather than take the more typical American route of searching for loopholes and legalities to hide behind--was refreshing.

President Bush, whose personal apology also helped to defuse tensions after the accident, further underscored the importance of the alliance by agreeing to a summit meeting with Japanese Prime Minister Mori Yoshiro despite the latter’s impending resignation. During their Washington meeting, the two leaders issued a thoughtful joint communiqué that can serve as the basis of future cooperation between the two allies. It seemed to go beyond the 1996 Clinton-Hashimoto Joint Communiqué in pledging “a dynamic approach to bilateral defense consultation and planning.” Included also was a pledge to “strengthen joint efforts to address the transnational challenges of the 21st century.

However, it wasn't long after Mori's departure when the U.S. announced, apparently without advance notice or coordination, that it was abandoning the Kyoto Protocol, which set strict air pollution limits. The action itself was not surprising. Given widespread bipartisan sentiment against the treaty in the U.S. Senate, the treaty appeared doomed regardless of who became president. But the way the announcement was handled took Tokyo by surprise. For a leader who promised "leadership without arrogance" and close dialogue on major issues, the failure to discuss this decision in advance with the country most closely associated with the global initiative has sent warning signals to Tokyo that this administration may be no more inclined to discuss issues of concern with Tokyo than the previous one.

Wither Multilateralism?

Conspicuously absent from administration comments about Asia policy to date has been any reference to Asian multilateralism. The U.S. is currently involved in two major region-wide multilateral efforts: the security-oriented ASEAN Regional Forum and the Asia Pacific Economic Cooperation effort which (through a U.S. initiative) includes an annual Leaders' Meeting. Both are in need of stimulation but are nonetheless worthy of continued U.S. support.

The ARF--an annual gathering of the region's foreign ministers--needs to evolve beyond its useful but limited "talk shop" format to not only address the region's more sensitive security issues but to also develop joint procedures for dealing with them. While the ASEAN states must take the lead here, it is not likely to happen without behind-the-scenes U.S. encouragement. Secretary Powell must also commit to attending the annual ARF ministerial meeting; his two Clinton-era predecessors fell somewhat short in this regard.

APEC also needs a boost. While Clinton started with great enthusiasm, American interest in multilateralism in general and in APEC in particular seems to have waned in recent years. Asian leaders will be watching closely to see what Washington's attitude and expectations toward this "gathering of economies" are going to be. President Bush has already said he would be attending this fall's APEC Leaders' Meeting in Shanghai and also conducting a follow-on summit meeting with President Jiang Zemin in Beijing, although the formal summit could become another victim of a prolonged stand-off on the EP3E incident. However current problems play out, the APEC Leaders' Meeting will likely provide Bush and Jiang a rare opportunity for face-to-face conversation.

As the U.S. looks ahead toward the ARF and APEC, some thought should be given to proposing that, in the future, the APEC Leaders' Meeting be held every other year, substituting an ARF Leaders' Meeting on the off years, in order to promote higher-level security as well as economic dialogue. Another possible proposal would be to hold an informal Northeast Asia dialogue in the wings of either APEC or, more likely, the ARF, since all the Northeast Asian foreign ministers (including the DPRK) now attend--North Korea is not yet a member of APEC.

Many Asians (and Asia-watchers) are also eager to learn what the new administration's attitude will be toward intra-regional multilateral efforts such as the ASEAN Plus Three (Japan, China, Republic of Korea) process, which has expanded to include regular summits, with a primary (but not exclusive) focus on economic issues. The previous administration's attitudes toward such initiatives that excluded the U.S. ranged from being slightly suspicious to being mostly indifferent. My sense is that many Asians (I think wrongly) suspect that the new administration will be more hostile or openly antagonistic toward gatherings that exclude the U.S., even when they are not directed against American interests. Some clear signals from Washington are needed here as well.

Looking Down the Road

All eyes will be on Assistant Secretary of State-designate James Kelly's confirmation testimony (currently anticipated for late April or early May) to clear up some of the current mixed signals and to answer lingering questions regarding American attitudes toward APEC, ARF, and multilateralism in general. Eight years ago, Kelly's predecessor once-removed, Winston Lord, used his confirmation testimony to lay out the incoming administration's vision of a New Pacific Community. This conceptual framework was then further embellished by President Clinton--himself a relatively inexperienced southern governor whose inauguration had raised Asian anxiety to similar levels--during his inaugural visit to Korea and Japan in July 1993. Bush's first Asian visit will likely not occur until this fall, in conjunction with the October APEC meeting (with anticipated stopovers in Japan and Korea before arriving in China). Hopefully, Kelly's testimony will provide the overall vision and framework that the president and other high-level visitors (including Secretary Powell at the ARF meeting) will then be able to reinforce and embellish.

Regional Chronology

January-March 2001

Jan. 2, 2001: Taiwan opens "mini three links" (direct trade, travel, and postal links) between two offshore islands and the PRC.

Jan. 3, 2001: Beijing calls mini three links "inadequate and discriminatory."

Jan. 6, 2001: Thaksin Shinawatra wins Thailand's general elections.

Jan. 8, 2001: Indian PM A.B. Vajpayee begins three-day visit to Vietnam.

Jan. 9, 2001: Li Peng, Chairman of PRC National People's Congress, arrives in India for nine-day visit, meets with PM Vajpayee Jan. 15.

Jan. 10, 2001: PM Vajpayee in Indonesia.

Jan. 10, 2001: Singapore and U.S. free trade talks in Washington.

Jan. 11, 2001: U.S. President Clinton expresses regret, while not apologizing or offering to pay reparations over Nogun-ri massacre during Korean War.

Jan. 15, 2001: DPRK leader Kim Jong-il visits with PRC President Jiang and Premier Zhu during a “secret” six-day visit to China.

Jan. 16, 2001: PRC and Russia announce intention to sign defense treaty.

Jan. 16, 2001: Japanese FM Kono meets with Russian FM Ivanov in Moscow.

Jan. 17, 2001: Netherlands restores diplomatic ties with DPRK.

Jan. 17, 2001: During his Senate confirmation hearing, Secretary of State-designate Colin Powell provides overview of Bush administration’s planned Asia policy.

Jan. 19, 2001: U.S. and ROK sign a new Status of Forces Agreement.

Jan. 19, 2001: U.S. pays \$28 million for property losses caused by the accidental bombing of the PRC embassy in Belgrade.

Jan. 19, 2001: Malaysian PM Mahathir visits Japan.

Jan. 20, 2001: George W. Bush is sworn in as 43rd U.S. president.

Jan. 20, 2001: Joseph Estrada is ousted from Philippine presidency; Gloria Macapagal-Arroyo is sworn in as president.

Jan. 22, 2001: U.S. and Russia sign an MOU on missile and space-launch notification.

Jan. 23, 2001: North Korea and Belgium establish diplomatic ties.

Jan. 23, 2001: U.S. Marine Lt. Gen Hailston, commander of U.S. forces in Okinawa, calls Okinawa officials “nuts” and “wimps” in an intra-office e-mail that is subsequently leaked to the press Feb. 7.

Jan. 24, 2001: Germany decides to establish diplomatic ties with North Korea.

Jan. 26, 2001: FM Kono meets with Secretary Powell and NSC Advisor Rice in Washington.

Jan. 26, 2001: Philippine Defense Minister Mercado resigns.

Jan. 31, 2001: Philippine Navy ships and aircraft begin standoff with a group of PRC fishing vessels near the Scarborough Shoal.

Feb. 1, 2001: Indonesian parliament votes to begin impeachment process against President Wahid.

Feb. 2, 2001: China announces that Taiwan will be a “full participant” in this year’s APEC forum.

Feb. 5, 2001: Presidents Bush and Putin speak for the first time via telephone, Powell and Ivanov also speak.

Feb. 5-10, 2001: ROK FM Lee Joung-binn meets with Secretary Powell in Washington.

Feb. 6, 2001: DPRK and Canada establish diplomatic relations.

Feb. 6, 2001: ROK and Russian military officials hold talks in Seoul.

Feb. 7, 2001: North-South electricity talks open in Pyongyang.

Feb. 7, 2001: DPRK and Spain open diplomatic relations.

Feb. 8, 2001: India and China end second round of security talks in New Delhi.

Feb. 9, 2001: The USS Greeneville, a navy attack submarine, collides with the Ehime Maru, a Japanese commercial fishing training vessel.

Feb. 11, 2001: Lim Dong-won, South Korean director general of the National Intelligence Service, makes secret trip to the U.S. for talks on North Korea.

Feb. 11, 2001: Beijing hosts first Senior Officials Meeting of the 13th Ministerial Conference of APEC.

Feb. 12, 2001: ROK President Kim and Mongolian President Bagabandi meet in Seoul.

Feb. 12, 2001: North Korea unilaterally postpones implementation of an accord with South Korea to jointly clear thousands of land mines to build a cross-border railway.

Feb. 13, 2001: President Bush telephones PM Mori to apologize for the Ehime Maru accident.

Feb. 14, 2001: U.S. Marine in Okinawa is detained and subsequently (Feb. 16) indicted on suspicion of arson.

Feb. 14, 2001: Indian FM Singh visits Myanmar.

Feb. 16, 2001: Okinawa Prefectural Assembly passes unanimously a resolution calling for SOFA revision.

Feb. 18, 2001: FBI counter-intelligence agent Robert Hanssen is arrested on suspicion of spying for the Soviet Union and Russia since 1985.

Feb. 21, 2001: U.S. special envoy Kartman arrives in Seoul to discuss light-water reactors in DPRK.

Feb. 22, 2001: DPRK threatens to scrap moratorium on long-range missiles in response to Bush's "hardline" policy.

Feb. 24, 2001: Secretary Powell meets with FM Ivanov in Cairo, the two agree to restart arms control talks.

Feb. 26, 2001: Deputy Assistant Secretary of State Ralph Boyce meets with Myanmar's pro-democracy leader, Aung San Suu Kyi in Yangon.

Feb. 26, 2001: President Putin visits South Korea.

Feb. 26-28, 2001: Inter-Korean family reunions in Seoul and Pyongyang.

Feb. 27, 2001: U.S. special envoy Admiral William Fallon delivers Washington's apology for the sinking of the Ehime Maru to PM Mori and to victims' families.

Feb. 28, 2001: President Putin visits Vietnam.

Mar. 1, 2001: Political leaders from 25 Asian countries gather in Boao, China to set up Asian version of Davos World Economic Forum.

Mar. 1, 2001: DPRK and Germany establish diplomatic relations.

Mar. 5, 2001: U.S. Navy court of Inquiry into sinking of Ehime Maru begins in Hawaii.

Mar. 6, 2001: Luxembourg agrees to establish diplomatic ties with the DPRK.

Mar. 7-11, 2001: Presidents Kim Dae-jung and Bush meet in Washington.

Mar. 13, 2001: DPRK inexplicably and indefinitely cancels fifth round of inter-Korean ministerial talks just hours before scheduled opening.

Mar. 13, 2001: State Secretary Powell meets with Indonesian FM Alwi Shihab in Washington.

Mar. 14, 2001: CINCPAC Adm. Blair visits China.

Mar. 14-16, 2001: Russia's chief of the presidential security council, Sergey Ivanov, meets with his counterpart, Condoleezza Rice, and Secretary Powell in Washington.

Mar. 15-16, 2001: ASEAN senior officials meet in Ho Chi Minh City to discuss growing U.S.-China tensions.

Mar. 18, 2001: PM Mori visits the U.S.

Mar. 19, 2001: U.S. special envoy Charles Kartman is named executive director of Korean Peninsula Energy Development Organization.

Mar. 20, 2001: PM Mori in Hawaii, visits scene of Ehime Maru accident.

Mar. 21, 2001: PRC Vice Premier Qian Qichen arrives in Washington for talks with President Bush and Secretary Powell.

Mar. 21, 2001: U.S. orders the expulsion of 4 Russian diplomats, with 46 more to be expelled by July.

Mar. 23, 2001: Russia retaliates, orders expulsion of U.S. diplomats.

Mar. 25, 2001: PM Mori and President Putin meet in Irkutsk, Russia.

Mar. 25, 2001: EU announces its intention of sending a delegation to the Korean Peninsula to help facilitate talks.

Mar. 26, 2001: Trilateral Coordination Oversight Group meets in Seoul, releases joint statement reiterating their support for DPRK engagement.

Mar. 26, 2001: DPRK and New Zealand establish diplomatic ties.

Mar. 27, 2001: ROK joins MTCR.

Mar. 27, 2001: U.S.-ROK joint three-day military exercise "Rapid Thunder" begins.

Mar. 27, 2001: President Bush announces no-support for Kyoto global warming environmental treaty signed in 1997.

Mar. 27, 2001: Xanana Gusmao resigns as head of East Timor's interim parliament.

Mar. 29, 2001: Premier Zhu meets with Philippine special envoy Alfonso Yuchengco in Beijing.

Apr. 1, 2001: A PRC jet collides with a U.S. Navy maritime patrol aircraft. The PRC jet goes down in the South China Sea, the Navy plane makes an emergency landing in the PRC.

