

U.S. FOREIGN POLICY IN THE SECOND BUSH ADMINISTRATION: IMPLICATIONS FOR JAPAN AND ASIA

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A Timely Visit to Japan

I am delighted to be here at Keidanren today to speak before such a distinguished audience of Japanese business leaders.

It is a particular pleasure to be back in Tokyo at this time. I have been coming to Japan since the 1970s, when I worked at the State Department. As an international lawyer in the 1980s, I devoted a good part of my legal practice to U.S.-Japan trade issues. And as National Security Advisor in the 1990s, I came here numerous times as part of the Clinton Administration's efforts to build a closer, more cooperative partnership with Japan.

Yet in all my years of coming to Japan, it is difficult to think of a more interesting and important time to visit Tokyo. Not only is your economy finally emerging from a decade-long slump, but important developments in Japan's political and security landscape are clearly underway. Exactly 150 years after emerged from nearly 250 years of global isolation, you are grappling with fundamental questions about your country's role in Asia, and in the world. Current events – whether in Iraq, the Korean Peninsula, or the East China Sea – serve to highlight and shape those questions in profound ways.

Of course, my trip is also timely because of recent political events in the United States, and the way these will impact Japan, Asia, and the world at large. I am talking of course about the reelection of President George W. Bush.

Before discussing the likely direction of foreign policy in the second Bush term, and in particular policy toward Asia, allow me to make a few remarks about the election itself and why I think it turned out the way it did.

What to Make of Bush's Victory

Despite widespread concerns before the voting took place, the election results on November 2 were clear and unambiguous. Although President Bush won by a relatively narrow majority of 51 percent to 48 percent, the results represented a decisive victory for the President, particularly in light of the current polarization of the American electorate. The Republican Party gained seats in both houses of

Congress, and the new 55-45 balance of seats in the Senate represents a real majority for Republicans.

There are many theories as to why the President won. My own view, in part, is that Senator Kerry did not connect culturally with the American people. Americans believed he reflected the elites, not average American. At the same time, President Bush won the contest over who was the “toughest.” The importance of toughness for the American people in this election is related directly to the conflict in Iraq and the war on terror. I would cite three reasons for this: First, President Bush succeeded in convincing most Americans – or at least enough Americans – that Iraq and the war on terror were one and the same thing. The reality is that there was no collaborative relationship between Saddam and Osama bin Laden before the invasion of Iraq. Nonetheless, President Bush’s argument was that we will fight terrorists “over there” or fight them in America, and this had resonance with the American people.

Second, I wrote two years ago that Americans would not elect someone they did not believe would be as tough – if not tougher – on the terrorists as President Bush. This is the legacy of September 11. “National security” for Americans today has become their personal security. Despite his strong rhetoric, I do not think Senator Kerry passed that test. Would his instinct be to fight or to talk? Many Americans believed he would hesitate rather than “pull the trigger” against dangerous terrorists.

Finally, while most Americans actually did not approve of many of President Bush’s policies and posture, a sufficient number came to the conclusion that we should not change horses in the middle of the stream – in this case the raging waters of Iraq and terrorism. Most Americans now believe that the Iraq war was a mistake. But clearly, most Americans also believe that President Bush got us into Iraq, and it is for President Bush to get us out.

What Next for U.S. Foreign Policy?

Let me now give you some thoughts about how I see U.S. foreign policy evolving in the second Bush Administration.

First, I think President Bush will be pulled in two opposite directions. He did not run in 2000 to be a foreign policy president. He is not really an internationalist by instinct. September 11 transformed his Presidency and led to the unrelenting focus abroad. Having won reelection, I think President Bush would like to return to the reasons he ran in the first place, and will want to leave a domestic policy legacy. Therefore, he will want to focus on some difficult issues such as social security reform, tax reform, and a few other domestic issues.

Yet the President cannot escape the fact that he carries over from the first term a daunting set of foreign challenges: Iraq, terrorism and Al Qaeda, North Korea, Iran, the Middle East. Obviously, in some measure he will have to address both foreign and domestic challenges. However, I would not expect grand new initiatives in foreign policy beyond the crises he faces, any one of which could explode.

If I am right, then America will manage our relations with others during the second Bush Administration, but it will lead selectively.

The appointments he has announced so far confirm that the President is generally satisfied with the direction of his foreign policy. Colin Powell, an extraordinary American, was frankly the “odd man out” in the President’s first-term Cabinet. He often differed with the rest of the foreign policy team on North Korea, Iran, and the Middle East. In Condoleezza Rice – who, by the way, is another outstanding American and a friend – the President will have a Secretary of State who is in more tune with Defense Secretary Rumsfeld and the rest of the team; and who will speak with the clear authority of the President. These are critical elements of the job, and frankly Colin Powell did not always have them.

Condi Rice’s replacement as National Security Advisor by her deputy Steve Hadley is another sign of continuity. Steve is a highly competent and non-ideological conservative who will do a good job of serving the President, but he is unlikely to set a fundamentally new course for foreign policy in the second term.

Global Hot Spots Ahead

Whether President Bush likes it or not, foreign policy priority number one in his second term will be stabilizing the situation in Iraq enough to allow for elections that will enable a dignified U.S. withdrawal from that country.

We are now engaged in a high-risk effort to assert control over Falluja and the other recalcitrant cities in the Sunni triangle so that elections can proceed without postponement in January with enough Sunni involvement necessary for their legitimacy. It remains to be seen whether brute force can simultaneously win back those cities without driving the Sunni population farther away from a political process.

That is the gamble we are taking. If it works – even partially – I expect that American forces will begin to draw down after the elections in Iraq in January, and steadily thereafter, as we declare victory and turn more and more authority over to the Iraqis – whether they are ready or not.

Of course, if Falluja and subsequent assaults go poorly, we have dug an even deeper hole for ourselves in Iraq. It is hard to imagine an honorable exit strategy without elections, and we could then be in Iraq for a long time.

Beyond Iraq, several other significant trouble spots loom on the foreign policy horizon. One is Iran, which appears determined to seek a nuclear weapons capability. That would be profoundly destabilizing for the region and the world – affecting decisions about nuclear programs by Saudi Arabia, Egypt and others. Needless to say, it would affect calculations in Israel.

Here we generally have let our European allies take the lead; they are in a position to be more forward-leaning in offering concessions to Tehran. If the Europeans succeed in obtaining a long-term and verifiable commitment from Iran not to proceed with its nuclear weapons program, the United States will “reluctantly” fall in line.

If they are not successful, we will try the sanctions route in the United Nations Security Council. If that route is blocked, one cannot rule out a military action by the United States or an ally. The consequences of that would be severe.

Before turning to Asia, let me say a word about two other likely global priorities of the second Bush term: the war on terrorism, and finding a lasting solution to conflict in the Middle East.

On terrorism, the United States has made some progress, but we have not defeated Al Qaeda. It has dispersed and infiltrated radical Islamic movements around the world. There is a hard corps of killers – no one really knows how many – whom we must hunt down before they act against us. There is much more we need to do to make our own homeland more secure.

But the real challenge will be to isolate these hardcore extremists within the Islamic world rather than isolating ourselves, as we seem to have done. President Bush speaks very eloquently of bringing freedom and democracy to the region; these are admirable goals but not something we can easily deliver or dictate.

A more subtle and effective approach would be to align ourselves with those in the region who are trying to introduce change – to reconcile tradition and modernity in places like Jordan and Morocco and some of the smaller Gulf States.

We need to reinforce positive local trends where they emerge.

Finally, the Middle East. This is a particularly delicate and important moment, with the convergence of the death of Yasir Arafat, the controversial plan of Prime Minister Sharon to withdraw from Gaza, and the American elections.

The United States has been steadfastly calling for a transition to moderate Palestinian leadership for the past four years. That is about to happen. The real question is whether such new leaders will have the power and authority to direct the Palestinians away from the path of violence, which has been suicidal for them.

But we have a window of opportunity here, and I believe we should help this new leadership prevail.

And we should encourage Israel to facilitate the elections that must be held within 60 days so a new forward thinking leader emerges with some legitimacy from the Palestinian people to change course.

At the same time, we have an interest in seeing that the Israeli withdrawal from Gaza opens opportunities for peace, not more turmoil.

This is not the time for sweeping new peace proposals. But it is a time of change and we should work to move that change in the right direction.

The Importance of Asia

With all of that on his plate, it would not be surprising if President Bush were inclined to avoid other foreign policy entanglements. But there are some larger developments in the world that he cannot afford to miss. Let me mention one that hardly needs impressing upon an audience like this: the tectonic shift of economic and political power from West to East. If you were sitting on Mars looking down on the Earth and could see socio-economic patterns like ocean currents, you would see them moving to the East – toward Asia, especially Japan and China, but also India and Russia.

In the U.S. preoccupation with Iraq and the Middle East, America must not forget that it is a Pacific power. Whether from an economic, political, or security perspective, developments in this vital region will have a profound influence on America's destiny into the foreseeable future.

I believe President Bush recognizes this and I would expect some positive continuity in his approach to the region. In some cases, however, it is not continuity but a change of direction that, in my view, is needed.

First the good news. I would expect the Bush Administration to continue its efforts to strengthen America's alliance with Japan, which is the linchpin of our engagement in Asia. Building a close, constructive partnership with Japan was one of our top priorities when I was National Security Advisor in the Clinton Administration, and I am pleased that President Bush has continued to nurture and strengthen this critical relationship.

Over the past decade, the Clinton and Bush Administrations have succeeded in shifting the perception of U.S.-Japan relations in both countries. Previously, the relationship was dominated by an endless series of contentious trade disputes. Today, the image is not one of competitive confrontation, but of collaboration for common goals. The American people recognize and admire Japan's role on the global stage – your support for U.S. efforts in Afghanistan and Iraq, your humanitarian aid to refugees, your support for peace in the Middle East, and your efforts to promote stability on the Korean Peninsula.

As you know far better than I, changes in the world, in the Asian region, and in Japan itself have prompted a lively debate here about Japanese foreign policy and your country's place in the world. Deployment of Japanese troops into harm's way in Afghanistan and Iraq is one sign of how far Japanese foreign policy thinking has evolved over the past several years. The recent tension with China over a submarine incursion into Japanese waters, as well as your growing awareness of the very real threat from North Korea, are reminders that Japan has no choice but to be more actively engaged in the region.

While the United States cannot decide what foreign policy course Japan should set, we do have an interest in seeing a confident Japan play a constructive role in regional and world affairs. The second Bush Administration should continue its support both for an increasingly active Japanese foreign policy, and for global recognition of Japan's standing in the world through permanent membership in the United Nations Security Council.

To zero in on one leading foreign policy concern in Japan, I know there is deep ambivalence here about the implications of a rising China. You welcome the growth of Chinese markets but fear China's growing political and security clout. There are many Americans who share this ambivalence.

While understandable, these concerns need to be put in context. Let's look at economic issues for a moment. China's economic growth is fueling demand for and the prices of global commodities from oil to bauxite. China has become a linchpin for the economies of Southeast Asia, and a major market and production base for American and Japanese companies alike.

Even as it has become the world's leading destination for foreign direct investment, China is increasingly a direct investor overseas itself. With those investments comes growing political influence. Southeast Asia used to be fearful of China; today, because their economies are so linked to China's, their political relationships are increasingly friendly.

I do not think that China is an emerging threat to the United States or Japan. For now and a generation to come, the Chinese will be preoccupied with their internal challenges. From the U.S. point of view, there is no reason why we cannot

have a “win-win” relationship with China and with Japan. My point is that if the United States does not pay enough attention and engage robustly with China, Japan, India, and Russia over the next several years, we may find a world where American influence is eroded and our role as a “balancing wheel” for traditional rivalries in this region diminishes. That could make Asia a far more dangerous place than it is today.

And dangerous it surely is. Let me briefly discuss two potential flash points in the region: North Korea and Taiwan.

In my view, the United States in President Bush’s first term has been excessively passive in the face of a North Korea which is in the process – if they have not already done so – of fabricating a half dozen or more nuclear weapons. Given North Korea’s economic plight and its history of weapons proliferation, the potential that it would sell nuclear weapons to a terror group seems to me the greatest danger we all face. I support the six party talks but they need to be supplemented, I believe, by more direct contact between the U.S. and North Korea.

It is difficult to conceive of any military option that would achieve U.S. goals without enormous and probably unacceptable loss of life.

There are some in the United States for whom the goal in North Korea is regime change. In theory, that could be a good thing, but we have very little ability to make it happen and very little likelihood of gaining the necessary support of China and South Korea.

This leaves three options for dealing with North Korea: First, serious negotiations, recognizing that Pyongyang has proven to be unreliable in living up to its commitments in the past. (You in Japan, having seen your citizens forcibly kidnapped by North Korean agents, need no persuading about the untrustworthiness of that brutal regime.) Nevertheless, negotiations should be possible if we are willing to engage North Korea directly and be clear about what we demand (including nationwide intrusive inspections), but also prepared to act reciprocally if the North Koreans verifiably meet their obligations.

A second option is UN sanctions. This is possible if we can gain allied support, but this in turn will only come if we have negotiated seriously and failed, establishing clearly for our allies in the region that Kim Jong Il’s intention is to maintain his nuclear weapons capabilities.

Finally, and for me the worst possible option, is to do nothing and let North Korea become the first nuclear weapons “supermarket” for global terrorists, who could use those weapons in Tokyo or London or Washington.

The other potential flash point is, of course, Taiwan. Maintaining peace in the Taiwan Strait will require greater attention than it has in the past. Even if it

does not use force, which I would still rate as a low likelihood, Beijing may put increasing pressure on Taipei. For its part, the Chen Shui-bian administration in Taipei has shown a willingness to take risks to strengthen Taiwan's separate identity. Such risk-taking could lead to miscalculation.

In his second term, President Bush will need to send clear, credible signals to Beijing of the U.S. determination to assure that differences between Beijing and Taipei are resolved exclusively through peaceful means. At the same time, he also will have to make unmistakably clear to Taipei that it must not inadvertently or otherwise take steps, such as movement toward juridical independence, that make a military clash more likely.

Conclusion: Style Matters as Much as Substance

Having spent most of this speech discussing the substance of U.S. foreign policy, let me conclude by saying a word about foreign policy style. Polls show that U.S. prestige has fallen to historic lows in much of the world, and Asia is no exception. It may be astonishing to Americans, for example, that South Koreans view the United States as a greater threat to peace than North Korea, but it is a perception we ignore at our peril. When our reputation among foreign populations sinks to the dismal levels it has of late, it becomes difficult for leaders of those countries to make tough decisions to align themselves with the United States and to do the things we seek.

The steps we need to take as a nation to restore respect internationally go well beyond the scope of this region; they go to the very nature and style of American leadership. But there are some things specific to Northeast Asia we do need to do. The decision by the Bush Administration to withdraw 12,000 troops from South Korea at a time of tension in the Peninsula has caused anxiety. We will need to build a sense of confidence among our South Korean allies that we take their security views and their needs seriously.

Finally, we will need to demonstrate a willingness to listen to what is on the minds of our friends in Japan and throughout Asia, instead of simply telling them what we want and expecting them to fall in line. Nationalism is as much a part of the make-up of the peoples of China, South Korea, and Japan as it is of America's. Whether the issue relates to politics, economics, or security, President Bush and his new foreign policy team will not achieve U.S. goals in the region if the conversation is a monologue, not a dialogue.

In making these points to my friends in the Bush Administration, rest assured that I will remind them of the centrality of the U.S.-Japan partnership to most everything America does in Asia, and in the world. As we celebrate this year the 150th anniversary of U.S.-Japan relations, we are all reminded how much

nations can achieve if they strive to overcome their superficial political differences and to work together on the basis of shared values. I am confident that, by putting their minds to the task and their shoulders to the grindstone, the United States and Japan can address the many challenges and opportunities we face together in Asia.

Thank you very much.

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