Andrew Gordon:
There are a few seats that seem to be not yet taken. So there's one ... No, no, there is no longer one there. There might be three or four empty seats there in the middle, so do fill in. One over there. Don't be shy. Then I guess we will have a full house. This is quite a large group, and it's an indication that this is a conversation even if we really have more questions than answers at this point, that needs to happen.

Andrew Gordon:
My name is Andrew Gordon, I'm the Acting Director of the Harvard Asia Center. And on behalf of my fellow Directors of all the other centers and units that are sponsoring this event, I want to welcome you here today. Right after the election, in a kind of daze of astonishment, and I admit, despondence, I realized that we needed to have a discussion like this. And I talked to the staff at the Asia Center, Holly Angell, who I thank very much for working to pull this together.

Andrew Gordon:
And simultaneously, Michael Szonyi and James Evans on the staff of the Fairbank Center had the same idea. It took us about two days to realize we were planning similar events, and we decided to merge forces and then reached out to other programs. Sun Joo Kim gave me suggestions for speakers focused on Korea. I was in contact with Bill Alford at the Law School. Susan Pharr, who's moderating, and Shinju Fujihira of the US-Japan Relations Program staff also helped out with suggested speakers and contacting people, and we very quickly assembled this really fine and distinguished panel.

Andrew Gordon:
Today's panel will be audio recorded with a podcast link on the various centers' websites, and we'll post a written summary on the Asia Center website.

Andrew Gordon:
I also want to give a particular thanks to James Evans of the Fairbank Center for the extraordinary poster that he created with the face of the President Elect as well as the western half of the continent of the North America looking across to Asia.

Andrew Gordon:
We do anticipate this will be the first of several discussions of this character. In the future, probably focused more specifically and narrowly on one or another country in relation to the United States and the Trump era. And so as the poster says, this is the first of a series.

Andrew Gordon:
I'm going to quickly turn things over to Susan Pharr as the moderator, but I want to finally just mention the groups, the centers that are co-sponsoring this event with us: the Fairbanks Center for Chinese Studies, the Reischauer Institute of Japanese Studies, the Kim Koo Forum at the Korea Institute, the South Asia Institute, the Program on US-Japan Relations, East Asian Legal Studies, the Harvard Law School, the Belfer Program, and also the Ash Center for Democratic Governance and Innovation at the Harvard Kennedy School. So thanks to all of you for being here. And, over to you Susan.

Susan Pharr:
Thank you. Let me just ask anyone who is seated and has next to them an empty seat, would you raise your hand, because it's hard to tell from the back, are there any empty seats. Answer: There are no empty ... One empty seat.

Speaker 1:
There's one.

Speaker 2:
One over there.

Susan Pharr:
Okay. Well, as of tomorrow, a month will have passed since the November 8th election, Tuesday. It's hard to believe only a month ago. When it comes to foreign policy and it comes to Asia certainly, much is still not known. The pivotal appointment of a Secretary of State is really mired in really a lot of controversy. A number of new names have come into the pot. Although some of the old names such as Mitt Romney and Giuliani are still said to be in the mix, new names have come in: Jon Huntsman, a former Ambassador to China; John Bolton, former Ambassador to the UN, and so on, but still not known, but perhaps later this week we will know.

Susan Pharr:
But Asia has certainly been there in this first month. Prime Minister Abiy was the first Head of State from Asia to have a face-to-face meeting with the President Elect. And for the first time in anyone can remember, an actual family member, Ivanka Trump, and sat in on that meeting. A few days ago, the President Elect took a phone call from Taiwan's President, breaking practice in place for 40 years in the One China policy, in which heads of state, the US President has not had direct contact with Taiwan's President.

Susan Pharr:
His recent moves to save jobs of a factory plant in Indiana involve a possible move of those jobs to Mexico. And yet, the implications for how President Elect and President Trump will deal with companies and generally with business interests in the US economy in the area of trade. We see some inklings of that in this individualized style, reaching out to a particular company and threatening, in a tweet, tariffs to be imposed on goods if that company moves off shore and then sends its products back into the US market, a 35% tariff being discussed.

Susan Pharr:
One could say that the question in people's minds about whether there would be a petition between the business interests of the President and his family and his duties as President, basically it's becoming clear it's going to be very permeated that that line will not be held firmly and we have, quite recently in Japan, Ivanka Trump rolling out her apparel company in a tie-in with the Japan development bank, which is a part of the Japanese government. So there are a lot of things going on that involve Asia directly or indirectly. Also, it's notable that the first President Elect has declined daily intelligence briefings, which is really quite startling. So there are many first and many things to ponder.
And we have, really, a very distinguished panel to try to make sense of some of the things that have been happening and put them in perspective. I'll keep these bios quite brief, to allow maximum time for discussion. Our first presenter will be Joseph Nye, University Distinguished Professor and former Dean of Harvard's Kennedy School of Government. He is the author of many, many books, including books dealing with soft power, the power to lead, the future of power, presidential leadership. He's also been very important in US foreign policy. He served in government in the Clinton administration. And more recently, he served on the Advisory Committee for John Kerry, in advising on US foreign policy.

Susan Pharr:
Ezra Vogel is the Henry Ford II Professor of Social Scientists Emeritus at Harvard. He became a lecturer at Harvard in 1964 and has been here since then, and is distinguished by the fact that he works both on Japan and China, and has been prolific in his publications, including books that have been bestsellers both in Japan and China; Japan as Number One as the best seller in Japan, and Deng Xiaoping and the Transformation of China, several years ago a bestseller in China. He too served in government during the Clinton administration. And in fact, when Joseph Nye was in government on the National Intelligence Council, he worked as the Coordinator for Intelligence on Asia.

Susan Pharr:
Our third presenter is Lynn Kuok, who is a visiting fellow in the Harvard Law School. She's also a non-resident fellow at the Brookings Institution. She's a member of the World Economic Forum's Global Future Council on International Security. She has a degree in comparative politics from the University of Cambridge and a law degree from National University of Singapore. Her research interests include nationalism and race and religious relations in Southeast Asia and the politics, law and security of the Asia Pacific.

Susan Pharr:
Sung-Yoon Lee, our fourth presenter is the Kim Koo Korea Foundation Professor of Korean Studies at the Fletcher School. He's also an associate in research at the Korea Institute. He's been a frequent contributor and commentator in the mass media on issues relating to North Korea and South Korea, and he certainly testified as an expert witness before the House of Representatives and Foreign Affairs on North Korea policy.

Susan Pharr:
I turn things over to Joseph Nye.

Joseph Nye:
Thank you, Susan. You've given me a nice task of seven minutes to explain Donald Trump and Asia. I have one person to explain on this end and, what, about two and a half billion at the other end? It's a lot easier at the other end. We always talk about the inscrutability the Asians compared to the inscrutability of Donald Trump. It's easy. That's a way of warning you that don't believe a word I'm about to say, because I have been consistently wrong about Donald Trump. I assured my wife he wouldn't get the Republican nomination and I assured her he wouldn't become President. Two and a half million people agreed with me in terms of the popular vote, but nonetheless, he's going to be President.
So what will be Donald Trump's approach to Asia? And the answer is, we really do not know. If you look at his statements in the campaign, they are mutually contradictory. And then at some of his actions since the campaign, he has taken some things back and not others. So we don't know. And I was at a meeting in Washington last Friday of a group of people that included John Huntsman, among others that were trying to answer this same question. And I thought one of the best pieces of wisdom came from Bob Zoellick, former President of The World Bank, in which he said, "Take Trump at his word. He was totally unpredictable in the way he campaigned. He's been totally unpredictable in the way he's been a President Elect. Why don't you think he will be unpredictable as a leader of foreign policy as President?"

So I think our Taiwan phone call was just a first indication of that.

Joseph Nye:
If you look at what Trump said during the campaign, he really had a quite radical position. American foreign policy since 1945 has been based on a series of alliances around the world and institutions. And while we've had deep divisions in American foreign policy over the last 70 years, they've been about intervention in less developed countries: Vietnam, Iraq, and so forth. But the basic structure of the alliances that's sometimes called the liberal international order has not been questioned. Trump questioned it in the campaign. HE said, "If allies didn't do more in terms of defending themselves, we might have to let them take care of themselves." Even to the point that he said that Korea and Japan might have to get nuclear weapons if they weren't going to pay what they needed. That was really quite radical.

Joseph Nye:
Now is he going to do that? I think not. I mean, on that one, I'll take a bet, which is that a tearing up that fundamental framework, I think is unlikely. And I thought that the meeting with Prime Minister Abiy was an indication of that. Abiy was smart to get in there quickly, to get in there in an informal way. But if I look at the situation of the US Alliance with Japan, I would say it's probably going to be okay. And it's partly because of the fact that it makes so much sense in terms of overall strategy; it's partly also because Japan provides very generous host nation support. So Trump's complaint about allies not doing enough, there are many cases where it's actually cheaper to keep soldiers and Marines in Japan than to home-based them in the US. So I doubt that the alliance is going to be shattered, even though Trump said some things that were quite remarkable during the campaign. TPP is different manner. On the trade side, I think TPP is gone. But on the alliance, I think the US-Japan relationship is going to remain strong. And I think the Abiy visit was an indication of that.

Joseph Nye:
The other thing, though, that we don't know is what's he really going to do about China? And there, we have these various statements in the campaign about, "Day one, I'm going to declare them a currency manipulator, if not, a 45% tariff," and so forth, which is very tough talk. It would be extraordinarily expensive if he were to do this; expensive for the US, not just for China. But will that deter him or not?

Joseph Nye:
When Ezra and I were working together in the Clinton administration, we basically did a scenario which Ezra worked out of different futures for China, and about how we could guide a policy toward China. And we came to the conclusion that we did not want to contain China, as some people were urging, but we did want to shape the environment that gave China incentives to be what Bob Zoellick later called a responsible stakeholder. And in that sense, I think that policy worked. It led to our inviting China into the
World Trade Organization, accepting Chinese trade. And it was followed by the Bush 43 administration. So the policy of bringing China in was accepted. And our insurance policy that went along with that was to reaffirm the US-Japan Security Treaty. In case China did become a bully, we would have something to fall back on. But we regarded these as two consistent parts of a single policy. If Trump just does the US-Japan treaty, and doesn't continue to integrate China, then you really have a radical departure in our policy toward China. But again, we don't know that.

Joseph Nye:

When the Obama administration came into office, their attitude toward China was somewhat optimistic. Obama thought he could get China to deal with him on transnational issues. Then after the first year, there was a bit of disillusion and things became a bit rougher in 2010, 2011, and so forth. But nonetheless, I think the underlying premise that we used, which was that China is not a revisionist power trying to overthrow the international system, but wants to make changes within it that affect China's interests, but not overthrow it; I think that still stands. There's a very interesting article by [inaudible 00:16:53] in the latest issue of the journal that [inaudible 00:16:57] points out, saying China ... And he quotes [inaudible 00:17:01] and various [inaudible 00:17:04], that China really doesn't want to kick over the system; that China gets a lot out of the system. They just want to adjust things within it more to their interest.

Joseph Nye:

And if you think of it that way, you could argue that Obama, while he got off to a slightly rough start with China, did eventually do relatively well. Jim Fallows has an article in the latest Atlantic, which echoes Orville Schell's concerned about, has China gone the wrong direction, stepping backwards. This may be true in terms of our hopes for liberal values in China and human rights. But when it comes to China being part of the international system, think of the following: Four years ago, if you were in Washington and you said, "What are the problems with China?" You would've said, "They are four big issues which are bedeviling our relationship with China: currency manipulation; cyber stealing, cyber espionage for commercial purposes; climate, the climate change issues; and the South China Sea."

Joseph Nye:

What's most remarkable today is though everybody is saying things are in terrible shape with China, three of those four issues have been managed and have, more or less gone away. China [inaudible 00:18:24] not a currency manipulator; Trump is way out of date of this. Or, it's not manipulating for trade purposes; it's manipulating for other purposes that are more political, but that issue is not the issue that it was.

Joseph Nye:

Similarly, on issues of climate ... If compare Obama and Xi in China in Copenhagen at the UN Climate Conference, where there was bitterness and discord with Obama and China and particularly Xi, in Paris, this past December, in which you have the two countries more or less coming to a common position. That's an enormous change. And it was based on an Obama-Xi agreement in between; it wasn't a multilateral thing.

Joseph Nye:

Then compare the issue on cyber espionage. Washington was totally stirred up four years ago about the fact that China was stealing our trade secrets and our industrial property, intellectual property and using
it for commercial purposes. When Obama and Xi reached an agreement in Washington in September, the very end of September 2015, China had changed its declaratory policy 180 degrees, and it agreed that it would not use cyber espionage for commercial purposes. How does that total change? What's more, they took it to the group of 20 and multilateralized it. And I was, as I said in Washington last week, talking to some people who were very involved with this, and they said Chinese behavior has changed. Not that its cyber espionage has gone down, neither is ours, but that it is not doing the same sort of theft of intellectual property from American companies for commercial purposes that Xi agreed not to do a little over a year ago.

Joseph Nye:
So those are three big issues where the US and China has managed the relationship. And that, to me, is a sign that the strategy that we were talking about when Ezra and I are thinking about this, is shaping the environment for China; not trying contain them. But they're bullies, they contain themselves. But, basically working to manage a place where they have a larger say within the international system is a workable strategy. The one area it hasn't worked on so far is the South China Sea. Though even there, the game is far from over as to how they'll eventually settle down or not on that issue.

Joseph Nye:
But in any point, what you have is something where the overall Alliance structure, I think we're going to preserve. I would argue that the prospects for dealing with the integration of China into the international system of institutions is working, but we just don't know whether Trump is going to go along with that or not. And he hasn't given us any real signals to tell us how that will work out. The things he said in the campaign were quite radical. Whether they will turn out to be radical in the sense of upsetting this policy or not, we don't know. And that's why I told you, as I began my talk, don't believe a word I have to say.

Susan Pharr:
Ezra.

Ezra Vogel:
First of all, I want to thank Joe Nye for bringing me to Washington. He was an international relations specialist who had worked in a lot of different parts of the world, and he became the Head of the National Intelligence Council and brought me as an Asian specialist, so that exposed me to international affairs. One of the things that he asked me to do while I was there was to try to draw together some scenarios. So what I want to try to do today is draw together three possible scenarios for thinking of what might happen as a kind of a guideline to the Chandler thinking about this very uncertain future.

Ezra Vogel:
I have just a few preliminary comments. First of all, I thought, as we do know a few things; we do have some sense of what kind of person Trump is. We have some sense of the people he's appointed. And from what I gather, that the Marine General he's appointed to defense is really quite a solid, experienced, thoughtful, balanced guy who potential of being able to talk back to Trump and say, "No, we're not going to do that," and have some real credibility and the kind of person who might be able to do that.
Secondly, we have some sense of Flynn, the kind of person who comes from a defense intelligence background, which, and from what I hear from people who know him, is that he's the kind who can get carried away with some big theory. And it can be a kind of a plot theory, and that he doesn't have as much depth in terms of working with a lot of other countries as some of the National Security Advisors in the past.

Ezra Vogel:
The other preliminary comment I want to make is about the Taiwan phone call, because I think that does tell us something. First of all, the Taiwan phone call is not a fluke, and it's not something she just suddenly decided and he suddenly decided to accept it. We do know that the Taiwan papers announced that she was planning to make the call, so that was clearly understood. And we do know that some people who went to change US-China and Taiwan relations have been active in helping to arrange that. So, that that's not a fluke. And I think the reason some of us worry about that is, it shows that Trump did not go to professionals and was not cautious and checking out with a lot of other people before he made that phone call.

Ezra Vogel:
The other thing we can say about that phone call is that so far, mainland China has responded in quite a moderate, sensible way. They have said, in the fact that the ... They don't think this is necessarily what Trump is going to be like later on, and that doesn't necessarily indicate any big change of policy. But I think we can also expect they're going to be looking at it very carefully.

Ezra Vogel:
And what worries me, and I think a lot of others, about that phone call is it may turn out to be more difficult for Taiwan as a result of that phone call. It may not have been wise for Tsai Ing-wen to do that, because that may mean a lot more mainland pressure on Taiwan. And I think it also shows that there is reason to worry that Trump might begin to push the Taiwan policy and that there are a lot of people who may take this as a kind of a balloon for pushing Taiwan independence in a bigger way, and that could be very worrisome.

Ezra Vogel:
Now, in thinking about scenarios. One of the things you try to do is say, first of all, there are some big things that have very slight chance of happening, but could overwhelm what happens. For example, if something should happen in North Korea, if there should be a collapse there, or if they should fire some more weapons, that could create some big tensions and there could be some breakthrough, and maybe professor Lee will talk about that. Also, there could be other kinds of terrorism that could really wreak havoc on any of the countries, and China, the United States. It could wreak havoc on all kinds of systems. Also, there's a chance that there could be a collision in the South China Sea or the East China Sea that would make tensions much worse. And then there's always possibility that financial collapse could occur in one or more of the countries.

Ezra Vogel:
All of these things, one would have to assign a very low probability, but any thoughtful leader or a group of leaders who were trying to think about the future has to be prepared and think about those.
Now in thinking about and trying to create scenarios, what I've done in my mind is trying to think what are the largest powers and the largest overall forces in Asia. And I think the big movers are still the United States and China, and what these two countries do are going to be very critical.

Ezra Vogel:
The first scenario I'm going to call muddling through; the United States muddling through. The second would be China playing a very positive role in international affairs, somewhat replacing the United States. And the third would be if China, pushing either with Taiwan or some other areas, that may lead to a very great deal of increase of tension in the area.

Ezra Vogel:
So the first scenario, why is it possible to think there may be some muddling through? First of all, Trump has been able to change his opinion without any big deal so that when he makes a mistake or does something wrong, he doesn't get hung up on what he said before. And so you can say that he shown that he's capable of changing and adapting.

Ezra Vogel:
And it's also true, of course, that we have a very large bureaucracy. We have a large well-developed legal system, and a lot of the things that Trump casually says he's going to do may turn out to be harder than he thinks. And there could be opposition within Congress, among the bureaucrats. Bureaucrats everywhere have the potential of slowing things down when a leader tries to do something that they think is foolish and unwise. And one can imagine all kinds of creative efforts of bureaucrats. And of course, we have the liberal establishment on the East, which most of us are a part of, who will be publishing things on our toes to do anything to catch him. And there'll be places like the American Civil Liberties Union, which will be ready to help out those who were attacked so that we have a lot of dynamic democratic forces in this country. And we also have other countries that are quite sophisticated. I think that Trump may write a lot of Twitter things that are very odd and very peculiar, but I think other countries, Japan and China, particularly have shown a capacity to respond to those and say, "Okay, well, here's this kind of guy," and will still find ways to dealing with him.

Ezra Vogel:
And I think China's response so far to this phone call from Tsai Ing-wen, from Taiwan to-

PART 1 OF 4 ENDS [00:30:04]

Ezra Vogel:
It's a phone call from [inaudible 00:30:03] from Taiwan to Trump. This is an indication that some of these other countries, despite the silly things that he may say, or the lack of thoughtful responses that he may make, that the world is pretty sophisticated and Kennedy School has done a lot to train some sophisticated people around the world so that they know how to read this. And they may not over-respond to these funny peculiar things. So I would say there's a pretty good chance that we can muddle through. So that's my number one scenario.

Ezra Vogel:
My second scenario is that China makes some positive gains and makes a significant advance in becoming a constructive world power that's playing a key role in world developments. And in doing this, I think, as Joe said, there's some already some examples, and if one looks at the Asia Infrastructure Development Bank that the Chinese have developed, their idea of that one road, [foreign language 00:01:19], the one road, one belt, and that idea is quite a constructive role, and I think in the bank, they've shown willingness to take in other countries and to be rather understanding that America didn't join right away, European countries. And now that Japan, already has some joint developments with the bank, show that they're playing that in a fairly open, constructive, international way.

Ezra Vogel:
So I think that a lot of countries in Asia, and I'll look forward to what our other speakers have to say about this, now feel that there are two big powers they have to worry about: the United States and China, and they will have to adjust to both. They will need to turn to the United States for security, and that for economic trade is already so big. It's much larger with most of those countries than the United States. And that we've already seen now a flip, at least on the president of Philippines, who seem to be very anti-Chinese now to be willing to work with the Chinese.

Ezra Vogel:
Now that doesn't mean that all the Philippines is suddenly in China's pocket. They'll still keep open defense relationship with the United States, but the Philippines is already making some adjustment. Malaysia is already making some adjustment, and Australia is already making some adjustment, and South Korea, if it can get beyond its current internal development issues, it will probably come back again to have more contacts with China than it had before, South Korea began to bend toward us, toward the fad.

Ezra Vogel:
So I think it is possible, if the Chinese are able to play a relatively moderate role in international affairs, for China to emerge, to make significant advances in climate issues and so forth, to begin to play a role, and the United States would play a decreased role. If you wanted to be dramatic about it, you could say that the post World War II era, when the United States dominated, will begin to edge off and be replaced by an era when, if anything, China, at least in Asia is an equal, maybe not in defense issues, but in economic and foreign policy issues, where they could begin to play a positive role.

Ezra Vogel:
The third scenario I would see would be for China to begin to press too hard and to get all kinds of reactions. Maybe you call this a conflict scenario, where they begin to push hard on other countries in the South China seas, they could push hard on Japan, on the [inaudible 00:34:18] or Okinawa, and the risks of conflict would greatly increase.

Ezra Vogel:
I think also there's a significant risk that they may push hard on Taiwan. I think it's very unlikely, I would personally say close to zero chance, that they wouldn't try to invade Taiwan, but they can put a lot of other pressures. They come in and put a lot of economic pressures. They can begin to harass all kinds of people from Taiwan. They can begin to reduce their role in international affairs and create much more tension in the region and put a lot of pressure on other countries to publicize things as China wants to publicize and to not to show any kind of positive response to people like the Dalai Lama and Taiwan
representatives. And it would be a very tense period to which the United States might over respond. And part of the reason I worry about Trump is this kind of unpredictable person who doesn't necessarily listen to professional advice, is that it's quite possible that he would respond in a very tough way. It would be more provocative to China and move into that scenario.

Ezra Vogel:
So, anyhow, that's my best guess as to what I think are the greatest possibilities. I think Japan and the United States will remain relatively good. I think for Abe's point of view, it's worked out rather well. I mean, the Japanese used the term [foreign language 00:35:49], foreign pressure, to accomplish what Abe wants to accomplish, this slight increase in military expenses in Japan. And the visit already with Trump, I think looks as if the Japan United States relationship is not going to be a problem under Trump. That would be my personal guess. And so those are what I would think are the three most likely scenarios. I just offer those as a way of trying to think about the future and possibly others have other scenarios. Thank you.

Speaker 3:
[inaudible 00:36:28] Thank you. First of all, I'd like to thank the Asia-related centers at Harvard University for the invitation to speak here today. It's a real honor to be appearing in the same panel as these distinguished scholars. I've been in Harvard in various capacities. I was most recently at the Harvard Law School to give a talk on the rule of law post the Philippines against China arbitration award. And in fact, I see some familiar faces in the audience. It's always really great to be back. Thank you all for coming. I'm looking forward to the discussions that follow.

Speaker 3:
In my talk today, I'd like to focus on what Trump means for Southeast Asia, including what he might mean for the South China dispute, which as Professor Nye mentioned earlier, is one of the very thorny issues in US-China relations. As has also been highlighted, it's still very early on in the day and anything can change. However, I think it's wonderful, it's great that we're having this conversation early. I do not think that Trump's policy on Asia at least is set in stone. And I think this is a very important time to be seeking to shape our understanding and priorities of US interests in the region.

Speaker 3:
Now, I think the first point to note in relation to Southeast Asia and its regional grouping, the Association of Southeast Asian Nations or ASEAN, is that it matters to the United States. The region is strategically important because it sits astride many of the world's busiest shipping lanes. It also has significant economic potential.

Speaker 3:
The state and ASEAN actually collectively comprise the third largest economy in Asia and the seventh largest in the world. Its population is young and dynamic and more than 65% of its 632 million people are below the age of 35. In addition, the United States and RCN and its member states share an interest in sustaining a rules-based order in the Asia Pacific. So in this respect, the United States has a willing and able partner in the region in order to maintain a stable and rules-based order.
Now, given the rivalry between intra and extra regional powers, the Association of Southeast Asian Nations stands at the heart of any viable security architecture in the region. Sustained engagement with ASEAN actually increases Washington's flexibility and influence and takes the edge off any direct US [inaudible 00:39:09] competition.

Speaker 3:
President Obama was quick to recognize these interests in Southeast Asia and made Asia, particularly Southeast Asia, the linchpin of his presidency. He has been credited for establishing an enduring framework for engagement with the region. Now, the question is whether a President Trump will in fact be able to build on this very strong foundation.

Speaker 3:
The first or early signs are rather worrying. President Elect Trump's intention to withdraw from the Transpacific Partnership Agreement, which is a high standard, multilateral trade deal, which includes four Southeast Asian countries and eight other Pacific Rim countries, including the United States, is clearly a setback. Now, the rejection of the deal will bring about the very things that the United States fears: a chilling effect on foreign investment in the United States, bad terms for American goods and services, and a more empowered China.

Speaker 3:
Already regional newspapers in Southeast Asia are talking about a revival or new life being breathed into the Regional Comprehensive Economic Partnership, the RCEP, and this is a trade deal that is spearheaded by China, but lost out steam, but is now looking to move forward with US cold feet on the TPP.

Speaker 3:
Now it's often been said that for Southeast Asia, economics is security. Economics might not be enough. We see that with China seeking to incentivize Southeast Asia onto its side, but it certainly helps. Rejecting the TPP sends the unfortunate signal that the United States engagement with Southeast Asia is narrow, and in any event, can not be counted upon.

Speaker 3:
It's important to remember that many countries in Southeast Asia signed on to the TPP at considerable political costs. In the case of Vietnam, for instance, it's willing to undertake painful adjustments to its labor and human rights laws. In the case of Malaysia, the government actually stood up to protests by Malaya ethnic groups who are worried about what the TPP might mean for affirmative action in favor of the country's majority ethnic group, the Malays.

Speaker 3:
But apart from the TPP, another concern for the region is where East Asia, and within that Southeast Asia, stands in the next administration's list of priorities. Now given the shift in economic and geopolitical center of gravity towards Asia, I do not think that a Trump administration is likely to disengage from the region. However, while the Obama administration understands that ASEAN is important part of the region's architecture and has worked within it, the next one might well decide to deal directly with China.
Speaker 3:

As a former permanent secretary of Singapore's Ministry of Foreign Affairs has said, Trump's highly transactional approach might also translate into a lack of patience with ASEAN, with its stress on form and its doddering processes. So ASEAN has been rightfully, in some cases, actually derided as a [inaudible 00:42:40] and President Trump with his emphasis on immediate outcomes might have very little patience for this.

Speaker 3:

The next administration might also have less tolerance for the simultaneous balancing and hedging that almost all countries in Southeast Asia, even claimants in the South China Sea, engage in. Now to a certain extent, this balancing and hedging is to be understood, and the current administration might not like it, but accepts it. It's also probably a good thing because having these rather looser associations rather than hard coalitions helps to reduce the potential for conflict.

Speaker 3:

But at the end of the day, the extent of balancing and hedging that takes place in the region will depend on, first, demonstrable US commitment and second, Chinese behavior, and with a rising and more assertive China giving rise to anxiety in the region, countries that I can assure you are looking at how best to position themselves.

Speaker 3:

Now, the US, if it's seen to be turning its back on the region, can expect certain responses from the region, and this is likely to hurt the United States's position and standing. One important litmus test, if not the most important litmus test of US commitment to the region is the South China Sea. Unfortunately, President Elect Trump has said very little in this issue, and arguably even less that is coherent. So in March interviews with the Washington Post and the New York Times, Candidate Trump appeared to suggest that he would use trade as a tool to get China to stop what he described as ambitious behavior that disregards US interests.

Speaker 3:

However, he also appeared to distance the United States from the issue by saying that other countries, in fact, have a greater interest in the issue. In a September interview with The Economist, he also added that the South China sea is very far away and that China had already built this. So in a sense, what else can be done, right? Trump's words, unfortunately, buy into Beijing's narrative that the South China Sea dispute only concerns claimants. However, I think most people would agree that non-claimants, including the United States, have critical interests in, first, the peaceful settlement of disputes, second, the rule of law and, third freedom of navigation, and this is critical for especially trade foreign nations.

Speaker 3:

To this list of interests, non-claimant members of ASEAN would also add an interest in ASEAN centrality, which the South China Sea dispute is undermining. Trump's statement that China has already built in the South China Sea also is unfortunate because it appears to too readily concede the strategic landscape to China. It's true that little can be done to reverse China's island building and construction efforts. In fact, in the recent Philippines Against China case, the tribunal was very careful not to pronounce that such activities were in and of themselves unlawful. What the tribunal limited itself to saying was that such
construction activities were unlawful because they violated environmental provisions, because they aggravated and extended the ongoing dispute before the tribunal, and because they had the effect of tampering with evidence, but it never said that such activities were in and of themselves unlawful.

Speaker 3:

Given that the United States cannot do anything to reverse these activities, what can be done by the United States and other countries?. I think it's really important that the United States and other countries not drop the ball in this respect, because what it can do is to limit the degree of control that Beijing can assert from the features it occupies. So trying to control of these features, but what maritime rights it can claim from them, and the sort de facto control it exerts from them, that is still an open question, and that is something that the international community can affect.

Speaker 3:

Now, while Trump's words might suggest US retrenchment from the region, a piece by his foreign policy advisers that appeared in the Foreign Policy Magazine the day before elections might suggest the opposite. It states that Trump will pursue a strategy of peace through strength, through first building up the US economy, through avoiding bad trade deals, and second through rebuilding the Navy from its current 274 ships to 350 ships. Of course, this still leaves us with questions. Ships are one thing, but where they are going to be deployed and for what purpose, that's another question.

Speaker 3:

[inaudible 00:47:45] this talk identified three principle areas of concern for Southeast Asia. The first one is the US withdrawal from the TPP. The second is a reduced attention to ASEAN and its member states. And the third one is a weak or ineffectual defense of interest and principles, particularly in the South China Sea. If these three events come to pass, if one or three of these events come to pass, they will feed into the Chinese narrative of an unreliable America and could fundamentally alter the strategic landscape in Asia.

Speaker 3:

Some analysts have argued that there are institutional checks and balances within the United States, which will be able to limit the amount of damage that a President Trump can do. I'm not entirely reassured by this. A stable and prosperous world order based on respect for international law is not only about limiting damage, it is about creating positive conditions for peace and prosperity. I would argue that a Trump administration faces not only dangers of commission, such as if the United States withdraws from the TPP. The United States also faces dangers, of omission in so far as it could potentially neglect an important region and fail to defend principles such as the rule of law, and this would have irrevocable consequences.

Speaker 3:

The founding father of Singapore, Lee Kuan Yew, once said that Asia is not a movie in which you can freeze developments and hope to return to find things unchanged. If the United States wants to affect the strategic evolution of Asia, it can not come and go as it pleases. I can go into some specific recommendations for the next administration, but I think my time is soon up. And by urging that the next administration firstly engage Southeast Asia early on in the day. The region is anxious and is watching the United States closely. Early engagement will help to put the relationship on a surer footing.
Speaker 3:
The United States should also ensure that engagement with Southeast Asia is broad, deep, and consistent, as it's likely to be the regard that Southeast Asian countries hold for the United States, should it show itself to be a loyal and reliable partner. Thank you.

Speaker 4:
Thank you, [Professor Gordon 00:20:33] and the Asia Center. Thank you [Professor Farr 00:20:33]. Thank you for this opportunity. With your indulgence, I would like first to mention the mundane, then move on to address the arcane, then in turn, on the inane, and pontificate on the profane and humbly close with some commentary on the humane.

Speaker 4:
First, the mundane. The Park Geun-hye scandal that has engulfed South Korea, the crux of the problem is the following: lack of plausible deniability. Her predecessors, arguably, committed greater sins in terms of the degree of criminality, massacring civilians, systematic election rigging, graft corruption, extortion in the amount of hundreds of dollars; however, Park Geun-hye's transgressions resonate powerfully in daily lives. These are not abstract crimes that we cannot really easily identify with. Her crimes, transgressions resonate along generational as well as socioeconomic lines. These are palpably real. In other words, she cannot say, "Oh, my deputies did it. I didn't know." She cannot say, as Kim Jong-il told the visiting Japanese prime minister Koizumi on September 17th, 2002 with respect to the abduction issue, "Some rogue elements in the security apparatus did it." She cannot say, "My dog ate my homework," as defamatory as that is to all the good canine citizens of the world. My dog ate my paper has greater credibility than Park Geun-hye three, to date, three apologies.

Speaker 4:
And this problem of course has serious foreign policy implications. The one big variable that we don't talk much about today is the upcoming South Korean election. It may take place as scheduled a year from now, or it may take place within a few months, perhaps as early as next June. And of course the opposition party in the South Korean political system has all the momentum now. It is their presidential race to lose. And if a more left-leaning leader were to be elected president, we could conceivably return to the old days of virtually unconditional engagement of North Korea, which may come to make quite complicated the emerging global financial sanctions regime, vis-a-vis North Korea.

Speaker 4:
Next, the arcane. As Richard Nixon was mulling over his plan, a plan to withdraw an entire division of US troops from South Korea in 1969, on January 30th, national intelligence estimate report noted that, "North Korea's continued violence will be of great economic cost to the Park government," that would be Did you mean: Park Chung Hee, Park Geun-hye's father, and also a cause for public dissatisfaction against the Park government.

Speaker 4:
The joint chiefs of staff understandably was very much against the plan and observed that the US troops in South Korea is a symbol, a commitment, to the defense of not only South Korea, but Asia as a whole. Henry Kissinger was quite concerned as well. He also noted that the troops withdraw problem has, "Definite political overtones." Regardless all these misgivings, 20,000 personnel were indeed withdrawn.
as of 1971. This came as quote, "profound shock" to Park Geun-hye, and Park Geun-hye noted that, "While I applaud President Nixon's Nixon Doctrine, just don't do it to me please." But it was done. It was fait accompli.

Speaker 4:
That led the Park Geun-hye government to try to pursue in secret a nuclear weapons program, an attempt that was in the end thwarted by the United States by further threat or further or entire full withdrawal of US troops. Today with each North Korean provocation nuclear test, there is increasingly a taboo that is being broken in South Korea, a call for South Korea to develop its own indigenous nuclear weapons. South Korea is not there yet, but that seems to be the direction that the nation is moving in. If Mr. Trump were to try to withdraw US troops from South Korea, that could conceivably be a catalyst for South Korea to cross the nuclear Rubicon; unlike in the seventies, the United States today does not have the leverage to thwart, to prevent South Korea from getting there.

Speaker 4:
I think much in the same manner that the US accepted the British nuclear tests in 1950s, much in the same way that the United States accepted France as a nuclear power in 1960 and later Israel. The United States will have to live with it. The US is not likely to break off the diplomatic relationship with South Korea over South Korea's nuclearization. This indeed, as Professor Nye mentioned, would be a radical departure from post-1945 norms of international relations in Northeast Asia.

Speaker 4:
Now, the inane. That Mr. Trump is ignorant of foreign policy is of course a great liability, but maybe it is also an opportunity. Perhaps he is pliable and able to learn. All of that remains to be seen, of course. But the fact that Mr. Trump to date seems to have surrounded himself with so-called hardliners doesn't necessarily mean, I would say, that US policy toward North Korea hereafter will be all hardline, bluster, strong rhetoric, condemnation, and so forth.

Speaker 4:
George W. Bush surrounded himself with some prominent hardliners, and in terms of rhetoric and policy, took a hard line approach at first. But once North Korea escalated with its first nuclear test in October, 2006, the Bush administration, for lack of a more diplomatic expression, caved, did a complete turnaround. Reeling from losses in the congressional election and the war in Iraq, the Bush administration made all kinds of concessions, too numerous to mention, but some in blatant violation of US codes.

Speaker 4:
Naturally North Korea was unmoved and continued to march down the nuclear path and fully a decade later today stands on the verge of nuclear breakout. Bush also called Kim Jong-il a pygmy, said things like, "I loathe Kim Jong-il," axis of evil you remember, of course, in the State of the Union address. These are all meaningless, unnecessary proclamations that, in my estimation, brought no national interests, nothing beneficial to the United States. It is really inane.

Speaker 4:
The Obama administration barely did better. Mr. Obama, President Obama, has said that I was determined not to repeat the mistakes of the past when I came into the White House, whereby they, North Korea, provokes, and we give them concessions. He has certainly achieved that, but that, I would submit to you, is setting the bar a bit low. I think under Obama's watch, North Korea has conducted several nuclear and long range missile tests. The situation has deteriorated. So the Obama administration has not done that much in terms of addressing the North Korea problem.

Speaker 4:

Profane, I don't mean Mr. Trump's lewd comments or Kim Jong-un's lewd comments. Kim Jong-un has called the South Korean president, and I quote, "a dirty old prostitute" has called President Obama, quote, "wicked black monkey." And oftentimes we are dismissive of such childish and offensive rhetoric because we tend to patronize North Korea. But when I say profane, I mean the following: as the 372 page long UN Commission of Inquiry Report in Human Rights in North Korea, published more than two years ago on February 17, 2014, states the degree, nature, scale of human rights violations in the DPRK quote, "has no parallel in the contemporary world." I urge you to read not the report in its entirety, perhaps, but the section on the regimes, systematic discrimination, deprivation of the right to food, and other related aspects of the right to life.

PART 2 OF 4 ENDS [01:00:04]

Speaker 4:

... Related aspects of the right to life, pages 144 to 208, I believe. The report makes the case that the regime is guilty of deliberate mass starvation, deliberate mass starvation. That gives an entirely new meaning, new definition to crime against humanity. I believe there are ways to address these problems. North Korea has certain systematic vulnerabilities. The Obama administration has yet to enforce fully North Korea sanctions, targeted financial sanctions that it is obliged to implement in the aftermath of President Obama signing into law back in February finally a very tough sanctions legislation. The political will is not there. No UN member state or the international community at large has ever uniformly enforced sanctions.

Speaker 4:

Now we have tough sanctions legislation at the UN as well, but UN Security Council Resolutions I suppose are a bit like an individual's New Year's resolutions. At first, there is great result and full compliance, but then lethargy, non-compliance, and blatant violations set in, and the problem grows. I think it is encouraging that Japan and South Korea and the United States just last Friday declared unilateral sanctions against North Korea in coordination with the other two allies, and these are potentially quite powerful. At the same time, sanctions are not a magic bullet. They are not a panacea. Like diplomacy or conventional deterrence, it takes time. It takes a lot of concerted effort. And whether Mr. Trump realizes all this or not remains to be seen. Thank you.

Moderator:

Well, thank you very much. And we planned this session so that there would be just a bit of time for the panelists to respond to each other. I wonder if I could start out on this end of the panel. I was very happy to hear that both Joe and Ezra were relatively optimistic about the U.S.-Japan relations part of the story, but I'd like to ask a bit more about the basis of that optimism. And I'm thinking particularly about Ezra Vogel's first and third scenarios, the first of which is muddling through, which implies actually that
decision-making could slow down and there could be uncertainty about what direction U.S. policy should take, and the third scenario in which China might aggressively take advantage of the current situation. In both of those cases, if for example Senkaku were to be taken by the Chinese, it would require presumably a credible response and prompt response on the part of the U.S. So I'm a bit concerned about, or could you elaborate on, why you feel as optimistic as you do?

Ezra Vogel:
Well, we should never underestimate the capacity for humans to make mistakes and miscalculate, but it helps to look at what the basic interests are. And if you look at the value of the U.S.-Japan alliance to Trump if he really does want to be tough with China, and you look at the fact that what Trump complained about, which was the lack of allies coming and spending for themselves, you realize that Japan's Host Nation Support is the highest of any country basically. Then you have a reality of a common interest that this alliance is very much in the U.S. interest, which will appeal, whatever we think of Trump, to somebody like Defense Secretary-designee Mattis. So anyone with a reality principle who looks at this situation will say, "Don't mess this up."

Ezra Vogel:
Now, let me go back to where I started. Humans have enormous capacity for messing things up, but my worry is less that they will pull out of the U.S.-Japan alliance or do something to fracture that, or make the Chinese believe that there isn't defense of the Senkakus so take a risk now. After all, you've had a President, a Secretary of State, and a Secretary of Defense of the United States say that Article V of the U.S.-Japan Security Treaty includes the Senkakus. That would be a big risk for China to take.

Ezra Vogel:
I worry more about something a little bit different. Remember when George W. Bush came into office, the Hainan Island collision between an American electronics surveillance plane and a Chinese fighter. That wasn't planned, but what's interesting is you had Bush who didn't know much about international affairs surrounded by Colin Powell and Rich Armitage who did, and they managed that extremely well. The question is, will Trump have the temperament to manage some such accident? So I don't see it as a deterrence failure where the Chinese think we can grab the Senkakus now. I think of it more as if there's an accident, do we have in place at the top somebody who knows how to manage a crisis? And that worries me more than that the Chinese will think I can grab the Senkakus now and get away with it.

Speaker 5:
Could I also ask Joe a question? One of the issues that I think we were very clear about when it looked as if there might be something, the Senkakus, that we have a defense alliance with Japan. Do you think that will be clear in the new administration?

Joseph Nye:
I think so, yeah. No, I think that Mattis and even Flynn will get that pretty quickly.

Speaker 5:
The other reason, aside from the basic reality principle, I'm rather optimistic, well a couple of reasons, about Japan and the United States. One is that I think in the 70 years since World War II that we have a very good understanding with Japan. I think the depth of understanding between Japan and the United
States, for example, the decision of Japanese companies to locate in just about every state where they have contacts with local Congresspeople from that state. And while we don't have as many Japanese students coming to the United States as we did, we still have a lot. And for example, the program that the Mansfield Foundation has where people from the United States work in the bureaucracy in Japan in all kinds of areas, and the Japanese have that in Washington. So the depth of understanding and subtlety of that relationship and the confidence that it works.

Speaker 5:
I mean, Japan is very well liked around the world although it's not true in China. But the rest of the world, you do polls and Japan is very much respected, and I think in the United States, that's also true. And I think the combination between the basic reality principle and the level of contact and understanding makes one really optimistic about Japan-U.S. relations.

Moderator:
And let me finally just direct a question to this end of the panel, which is, with the Trump presidency, what is the thing you worry about the most for your region?

Speaker 4:
Well, I would not be one ever to underestimate the power of hamburger diplomacy. You'll recall Mr. Trump a few months ago said, among other things, "Yeah, I'll bring him over to the U.S., the North Korean leader. We'll talk over a burger." Actually, President Obama did that with the former Russian president. They had a tie-less very casual looking hamburger lunch once. But this kind of flippant or rather condescending view of the adversary never works in one's interest.

Speaker 4:
I think the view that North Korea simplistically merely reacts to external stimuli, whatever the big powers do or say, and lacks a strategic mindset of its own, that false reading, misreading of North Korea has really not worked in the best interest of the United States and its friends. So I worry that Mr. Trump, not being completely fully aware of the complexities of the situation in the world and in the Korean peninsula, may think in very simplistic ways and spurred by perhaps an inkling of megalomania, self-absorption let's just say, perhaps he would think, "If I really go to Pyongyang or just bring him over, have a man-to-man heart-to-heart talk, we can work it out," and make all kinds of mistakes and concessions in the meantime.

Speaker 3:
Thank you for that question. Obviously, there are many things I worry about the Trump presidency in respect to Southeast Asia. However, perhaps because of my background as a lawyer, my greatest concern is the gradual emersion of the rule of law in the region. And in a sense, it's a bit of an irony what we could possibly be seeing now. I think Southeast Asian countries have never been necessarily known... With the exception perhaps of Singapore, Southeast Asian countries have not been well known for trumping the rule of law. However, we've seen some of these countries actually set up to promote it more recently.

Speaker 3:
I'll give you one example that has missed the attention of the international community. When the United States conducted its Freedom of Navigation Operation in January of this year, this Freedom of Navigation Operation was conducted in the Paracel Islands, around Triton Island. And the operation was in fact exercised to protest countries' requirements of prior authorization or notification before a user state can exercise innocent passage within the territorial sea of the future. And this requirement for prior authorization or notification is something that China mandates and Taiwan as well as Vietnam, too. The response from China was to be expected. China protested this U.S. operation. However, Vietnam and Taiwan remained silent. And in fact, Vietnam came out to say that it supported freedom of navigation in the South China Sea and said absolutely nothing about the flouting of the requirements of prior notification required under Vietnamese law.

Speaker 3:
So my concern really is with the Trump presidency, he might not see the actual value because it doesn't translate easily into dollars and cents. He might not see the actual value of the rule of law and how it helps to provide a stable system, a stable set of expectations for how states can expect other states to behave. He might not see the value in how it provides the superstructure or the foundation for conduct in international relations, so that's my foremost concern.

Speaker 3:
There's also one point that I would also like to mention, because it doesn't actually affect other North East Asian countries so much, but the concern is that Trump's anti-Muslim rhetoric or the anti-Muslim rhetoric said in the past by some of the people that he has appointed to his administration, that will gravely affect Southeast Asia. Two very important Southeast Asian countries, Malaysia and Indonesia, are both majority Muslim. In fact, in Indonesia, which is a huge country, over 90% are Muslim. Singapore is minority Muslim, but Trump's anti-Muslim rhetoric puts it in a bind with regard to its policy with the United States. So in other words, Trump's anti-Muslim rhetoric or any anti-Muslim rhetoric which emerges from the administration could jeopardize the ability of these countries within Southeast Asia to have strong relationships with the United States. Thank you.

Moderator:
Well, thank you so much. And I'd like to now open it up and ask you to keep your questions brief and also to direct your question to one person on the panel. And then if somebody else feels very strongly, they can come in, but we'd like to get a number of questions. So I'll take three questions, and then I'll ask the panelists to respond. Yes?

Speaker 6:
[inaudible 00:13:55]. Trump could pretty much destroy the strategic ambiguity which the United States maintain to deal with Taiwan since Richard Nixon. Is that possible?

Moderator:
I'd repeat the question.

Prof. Ezra:
The question was, could there be a fourth kind of agreement with China? I doubt whether we would have the patience or the planning or the organization or the intention to go that particular way. But I do
think that it is possible, particularly I think if John Huntsman should be the Secretary of State, somebody who has a very deep understanding, speaks good Chinese, a very deep understanding, or if he should become Secretary of State or if somebody like the Governor of Iowa should become Ambassador to Beijing. You remember the Governor of Iowa 20 years ago hosted Xi Jinping when he came to Iowa and had a very good relationship with him from 20 years ago, and again from this recent visit. So if we have channels like that, I think it's possible to have still quite a good understanding with China and, despite the unpredictability of what might come from Trump himself, if we have some solid people around him who can manage that relationship.

Prof. Ezra:
I think what I worry about on the Chinese side is that while we have many professionals who know the United States very well, at the very top in the Politburo, you have almost nobody who has, maybe Wang Huning, who is a scholar of international relations, but nobody has really a good deep understanding of the outside world, and almost nobody has a good understanding of Japan. They have professionals who come up through the Ministry of Foreign Affairs, but that doesn't substitute for very deep close personal relationships.

Prof. Ezra:
So I do think that while we now have so many channels with China, and 300,000 Chinese students in the United States is wonderful, and I think compared to the Soviet Union contacts in those days, it's day and night. The interaction with China is just so great. And yet at the very top level, the kind of easy give and take and the understanding and discussions that we can have with high-level Japanese, I think has not yet taken place with the very top level in China. And I think that makes it a little more fragile than I would like to see, despite the very skilled professionals on the Chinese side.

Moderator:
Oh, yeah. I meant to take three questions, so I already broke my own ground rules, and that tells you what's already happened to the rule of law.

Speaker 7:
Hi. My question is for Professor Nye. I was wondering what your thoughts were on what a Trump presidency means for South Asia, especially given that he had a phone call that's been dubbed as a fantastic phone call with Prime Minister Nawaz Sharif because he talked about the fantastic country of Pakistan and its fantastic people, and Pakistan has already sent a special envoy to Washington to discuss their relations in the future. Thank you.

Moderator:
Okay. I'll take the third question from this quarter. Anyone over here? Anyone else in the middle section? Yes?

Speaker 8:
Thank you. My question is for Professor Joseph Nye, and it's about U.S.-Japan relations. Michael Flynn said he doesn't plan to withdraw U.S. troops from Japan, so do you think Trump will actually withdraw U.S. troops from Japan? And to what extent would Trump stimulate discussions of nuclear armament in
Japan? And today Prime Minister Abe expressed his [inaudible 01:18:22] to Pearl Harbor this month. So we do think it will affect U.S.-Japan relations in Trump administration? Thank you.

Joseph Nye:
Regarding South Asia, what struck me about what was alleged to be not a transcript but a report of the phone call with Nawaz Sharif was how informal and poorly and almost content free. You're terrific, you're fantastic, and so forth, didn't tell you anything substantive about policy. I suspect, and here I'm again going on guesses, that as he gets into office and realizes some of the problems we have with Pakistan related to Afghanistan and the role of ISI supporting terrorist groups in Afghanistan, and he then realizes about the extent to which there has been a deepening of U.S.-Indian relations, before Modi and now with Modi, I suspect that South Asian policy probably won't change that much. I think that what you see now, where Obama didn't visit Pakistan because of the problems we have with Pakistan or parts of the Pakistan government relating to terrorism and Afghanistan. And on the other hand, where U.S.-Indian relations have become deeper economically and in security terms, I would guess that the policy towards South Asia will not change that much under Trump.

Joseph Nye:
As for American troop withdrawal from Japan, I would be surprised if there was significant troop withdrawal. There still is the lingering issue of what to do about Futenma and whether you're going to move Marines from Futenma to Henoko and how will that go over in the politics of Okinawa and Tokyo. That's quite different though from withdrawing a significant number of American troops. Again, I would guess that there will not be a withdrawal.

Joseph Nye:
And the presence of American troops in Japan are extremely important for the issue of nuclear guarantees because what they are is hostages. You can't bomb Japan without killing Americans. That means that if North Korea or China or anyone were to attack Japan, it's a little bit like Berlin during the Cold War. Yes, you could do it, but you can't do it without killing Americans, and when you kill Americans, you're going to be in war with a nuclear power. So the presence of American troops in Japan are extremely important to make the linkage between statements about the U.S.-Japan security treatment and on-the-ground reality, so I don't think they're going to be withdrawn.

Joseph Nye:
I think Abe's decision to announce a visit to Pearl Harbor is more of what has been a pretty smart set of tactics that Abe has followed since November 8th, getting in early on his visit with Trump and now announcing a visit to Pearl Harbor. He's the first Japanese Prime Minister to do that since 1941. I guess the Prime Minister didn't go in '41, but some other Japanese did. And so I think this is why I was relatively sanguine about the U.S.-Japan alliance in my earlier comments, but with the proviso that I could be wrong.

Moderator:
Yes?

Speaker 9:
Mr. Trump has said that our economic relationship with both China and Japan is one-sided and disadvantageous for us. In your judgment, is it objectively true that we need to adjust that trade relationship?

Joseph Nye:
Well, I think that there have been a number of things in the U.S.-China trade relationship which are imbalanced. I mean, the access that American companies have. Just take the internet companies and ask what happens to the big American internet companies in access to the Chinese market, as contrasted to Chinese companies' access to American markets. I mean, Alibaba's listed on the stock exchange. And you can find that in a lot of areas where there are asymmetries. On the other hand, the Americans have certainly regarded Huawei with suspicion and CFIUS, the Committee on Foreign Investments in the U.S., has looked at a number of potential Chinese investments and said, "We're not comfortable with the security implications of them." So there are lots of areas where you can see "unfairness" or asymmetries in trade.

Joseph Nye:
And it's also true I think, that about five or six years ago, China was keeping the rate of the Yuan artificially low to stimulate its trade. That I think is something which was true in the past, but my trade economist friends tell me it's not the case right now. So yes, you can always find cases of inequality in trade. Overall however, I think you can make a case that trade to China has been good for Americans and vice versa, but when you parse it state by state, factory by factory, industry by industry, you can find lots of cases where that's not true.

Prof. Ezra:
I might just add one comment to that. It is that of course countries like China which has a lot of state enterprises, and Japan which has an industrial policy, they have a different structure than we do. But I think that the basic issues have been that the passage of industry from high-wage areas to lower-wage areas is the factor which really accounts for the hugest trade imbalance and that when it comes to issues like secrecy, of course, we will have to find ways of countering it. And I'm sure there are a lot of people in Washington who've already been watching very, very closely issues like cyber and special aid to Chinese companies. And it could get to be a problem in internet companies and the question of whether they will use that, and we will have our own ways. And of course, we do aid defense-related industries. Even though it's not a state industrial policy, it does give aid to certain kinds of industries. So there are different structures, depending on how you want to look at them.

Joseph Nye:
Let me just add a point because Ezra mentioned it. You cannot judge the fairness or unfairness or benefits or lack of benefits of trade from a bilateral trade deficit, which is what President-elect Trump has done. And I urge you to look at the article in the New York Times Business Section by Greg Mankiw, who was a professor here at Harvard, but had been working in the Bush administration. The trade deficit is affected by the rate of savings and investment and the flows of currencies, and it's not just bilateral, it's global. So when you say, as we've heard, we have this big trade deficit with China that proves it's unfair trade. No, it doesn't prove that.

Moderator:
On this side, do you have a question in the back? Yes?
Speaker 10:
This is a nuts and bolts question. We know that Trump is-

Moderator:
Who is this directed to?

Speaker 10:
Since it's a nuts and bolts question, I don't know who to direct it to.

Moderator:
Go ahead. Go ahead.

Speaker 10:
We know that Trump has refused security briefings. Secretary Kerry has said that he's not been briefed by the State Department before these phone calls. The photographs I've seen of the meeting with Abe does not show another American translator. Who is doing the translating for the phone calls that he's taking with these foreign leaders?

Joseph Nye:
Probably ought to ask the Singaporean.

Speaker 3:
I would say the voice in his head maybe.

Moderator:
That's a question we can't answer.

Ezra Vogel:
I don't know either.

Moderator:
[Carl 00:01:28:07], do you have an answer to that?

Speaker 11:
Are we finished with that question?

Moderator:
Well, we'll put it out there and take two more.

Speaker 11:
Okay.

Moderator:
Go ahead.

Speaker 11:  
I'm not quite sure to whom to direct this question either, but probably Ezra I think. Trump has shown himself to have a very strong disinclination to separate his business from politics and now from the running of the country, at least to the extent that other presidents and presidential candidates have. And I'm wondering where is the greatest possible potential conflict between his business interests and foreign policy that might arise, and what form it might take?

Moderator:  
Okay. Let's take a third question. Yes? Yes, right there.

Speaker 12:  
[inaudible 01:29:00] I guess the question is, Trump is calling China's bluff in a way, right, see what cards China actually has. So my question is for Professor Vogel, in your view what strategic cards does China have that will be really of importance to Trump? So how could China actually respond strategically? Thank you.

Ezra Vogel:  
Well, I would hope that China would choose to respond positively, the way it has to take advantage of opportunities with the Philippines and Malaysia and to invite them and build economic interest. But it also has the potential, of course, of putting more pressure on Taiwan. And there are any number of pressures they can put on Taiwan in terms of economic pressure by not sending certain goods, by not-

PART 3 OF 4 ENDS [01:30:04]

Prof. Ezra:  
... [inaudible 01:30:00] certain goods by not allowing Taiwan representatives to attend international organizations. I think the danger of using anything very direct with the United States is that this could lead to a very conflictual situation. So, my advice to China would be to try to avoid that one and use the other ones that maybe create pressure on Taiwan or create a positive pressure. On Carter's very excellent question, I don't really know the answer to that one either. But I would assume that, in terms of the conflict of interest of Trump, that the watchdogs in the liberal press that we belong to will be looking for any kind of opportunities. And they'll monitor that very closely. And that he or his family will be in great trouble if there were conflicts of interest. I don't know whether our Singapore lawyer wants to comment on that one.

Speaker 13:  
In fact, I'm not a Singaporean lawyer. But just as a comment, might it be, in a certain way, that the extensive business interests that Trump has around the world, what's truly a global empire, will be a corrective on extreme policies.

Speaker 13:  
In other words, predictability and stability are the one things you need, particularly for tourism, which hotels depend on. And in many other ways, keeping economic relationship solid is going to be very
important. And I just throw this out. Do you want to comment ... any further comment of any [crosstalk 01:31:51]-

Joseph Nye:
Well, I think that, yes, Trump has an interest in not seeing economic turmoil, which would destroy the value of his overseas investments. But to go back to the prior question about, what levers does China have? If Trump were to put on a 45% tariff on Chinese exports to the US, China could reciprocate. First, by taking the US to the World Trade Organization. That's a slow process. And that's a way of, if you want, deescalating it. But they could also retaliate in terms of punishing the US with counter tariffs, or with punishing particular American companies, Boeing being a nice fat target. That then would create, I think, the kind of turmoil that might affect trade relations more generally, and markets, might affect his interests. But I hope we're not going to get to that stage.

Speaker 13:
Yes. And once... Go ahead. Here's a microphone for you.

Speaker 14:
So my question is for Dr. Nye. Professor Nye, I would like to ask, do you think Trump knows how to use soft power? And are you willing to advise him how do you soft power in his presidency?

Speaker 13:
Okay, that's one question. Sorry, it stopped me in my tracks. Yes. In the very back.

Speaker 15:
Yeah. Hi. I don't have a question for a specific person, but I'd be interested to hear Professor Vogel's and Professor Lee's views on this. So there's been this narrative of a rising China for a long time now, and events such as the 2008 financial crisis really strengthened that narrative. To what extent has Trump's election, to the presidency, impacted this narrative? Do you think it's emboldened it, or do you think it doesn't matter?

Speaker 13:
Okay. And a final question from Andy Gordon before we have a round of responses.

Andy Gordon:
This is actually similar to the question you just asked. But Professor Lee, the implication from several of the other presentations, especially around the TPP, was that one possible future scenario, given the likely with abandoning by the United States of the TPP, is the rise in the likelihood of Southeast Asia nations would cleave towards China more in some reconstituted different effort at a trade agreement. How does that likely to play out in the case of South Korea? Which also was a party to the TPP, and probably made... In general, the likelihood that the emerging era under Trump will lead South Korea to closer ties to China as a way forward.

Speaker 13:
Would you like to start, or should I start [inaudible 01:35:21] while you think about that?
Speaker 4:
Well, since I'm located in the far East, I think it's only proper that we proceed this way. The natural progression of people putting ideas historically.

Speaker 13:
Okay. So Joe, would you like to start?

Joseph Nye:
All right. If Trump were to ask me to advise him on soft power, I'd be happy to do so, but I don't think he'd listen. So there's not much danger. But it's an interesting question. I think Trump, and the quality of the campaign rhetoric that we saw, has already damaged American soft power. It's interesting that soft power is the ability to get what you want through attraction rather than coercion or payment. If you look at the index of soft power produced by Portland, the London consultancy, which came out earlier this year. They ranked the US as number one and China as number 28.

Joseph Nye:
I would think American soft power next year may be a little lower than that. This is, I'm just guessing when they bring out the index next year. And I was recently reading a book by Gideon Rachman, which is about to come out called Easternization. And Rachman takes a different view than I do. My argument has been that China is not going to pass the US, Rachman says they will. And Rachman talks about how strong China is going to be in GDP and so forth. And then he comes to the issue of soft power, and he admits that it still matters. And he said, if you look at why is it that the US is the world's reserve currency, the dollar, and why is it that people still want to use US legal systems and British legal systems? Partly, English language. But it's also because the US has the reputation of being a stable democracy.

Joseph Nye:
If you see the renminbi as a reserve currency, you have to be able to get your money out. And whether you get your money out depends on a capricious decision by a communist bureaucrat, you might rather hold dollars rather than old renminbi. So the basis for a reserve currency status rests on democracy and rule of law. And what you can say about China, doesn't have democracy or rule of law. And so in that sense, what Rachman says in this book is the Chinese still haven't caught up on soft power, which is consistent with the Portland index and so forth. But he's applying it to a real issue that affects his prediction, which is that China is going to pass the US.

Joseph Nye:
And I think one of the things I would want to say to Trump, if he were to listen, which I don't think he would, is that it's not just your excessive rhetoric. It's behavior that might challenge whether people are attracted to the US because of the rule of law and democracy. And if your behavior begins to challenge that, or to lead questions about that, you're not only under cutting American soft power, you're also indirectly under cutting American hard power as well. And one would hope he would understand that, but I don't believe he's going to ask me.

Prof. Ezra:
On the question about whether the Trump presidency means anything about, say the financial crisis. I think it does raise new questions about certainty and predictability. And if he says we are going to raise the defense spending, the question is, who's going to manage the budget in such a way that say four years from now, or eight years from now, there's still plenty left to spend in the treasurer. Or that there won't be a financial meltdown from the markets who say, whoops, the American budget is way too imbalanced. And there's going to be question as to whether they can maintain the level of spending they can. I think anything that increases the uncertainty in the markets, and when you have a president like that who does that, I think that does create problems. The second is that for planning international agreements and progress on dealing with international financial issues, these are very complex processes that require a lot of specialists working together over a long period of time.

Prof. Ezra:
And one of the sad things about TPP, is that so much effort was put in by so many countries to try to make that work. And the fact that didn't come through. And if you had a new administration that was able to repackage that and get it in some kind of acceptable form, that would be a great progress in managing trade issues. But I think the chances of a somewhat disorganized administration that does not have a clear purpose, does not work well with professionals, the chance of being able to create the kind of international preparation for meetings to advance certainty by dealing with financial issues and international trade issues, I think it's very much called into question. I think that's one of the reasons that many of us are sad and worried, because of course we are professionals, and like professionals. But I think the fact is that to work together with other countries you need predictability, you need a broad range of planning. And without that, all those agreements are much more difficult.

Speaker 3:
I think I would just pick up on the point that Professor Ezra just made in terms of whether a new administration could come in and get the TPP concluded. I think that's a possibility, certainly. And other countries actually can actually help to facilitate this process by keeping the deal open. So the deal is, it's before many of the governments for approval of the legislature. What can happen, in fact, they could also possibly start a new deal with almost identical terms in the TPP. Call it something different, but remove the clause that requires ratification by at least six countries, constituting 80% of GDP, of the world’s GDP. Of the group’s GDP, sorry. And by doing so, what they can do is to sign on to the agreement first, and then have in that agreement, a clause which allows other countries to join in.

Speaker 3:
So in this way, the US a separate and later administration, or even this administration at subsequent point, can actually join in, and in this way keep the agreement open. Whether or not this can be done as a political matter, that's a different issue. Because, of course, all these countries were willing to sacrifice some terms or some benefits because they understood that they would be gaining to US market, and there was certain security implications from that, that they really wanted to sign up to. But I think in the long run, this is perhaps what can best achieve the ultimate goal of having an agreement, a trade agreement, that ties these various economies together, and that protects against protectionism. Thanks.

Speaker 4:
While I have this opportunity, may I just pose a very quick, simple question to Professor Nye? Is there another country in the world that has less soft power than North Korea?
Joseph Nye:
Than.

Speaker 4:
Less soft power than North Korea?

Joseph Nye:
All right. I think they rank at the bottom, though I haven't... The index I referred to only goes down to 30. And I suspect, like transparencies international index, if it were to go down to about 200, North Korea would be somewhere down there.

Speaker 4:
Well economic power, of course, is a conventional fundamental index for measuring state power. In addition to political power, military power, soft power, the size of your territory, population. I'm a firm believer in economic power as an effective leverage in international relations. Not to the extent that I believe that economic interdependence and more trade ameliorate all international tensions, and prevent war and so forth. But when you think of China and Chinese behavior, since the 1997 East Asian financial crisis, 2008 was mentioned, or even in the wake of the tsunami in Indonesia in December 2004, China has been quite giving, quite proactive. And I think that has helped China's international stature, its prestige in the region. And if the Trump administration were to pivot away from Asia, but I don't think it will do that. Because about a year ago, Mr. Trump declared to the world in public that he knows South Korea, because he has ordered 400 flat screen Samsung TVs from South Korea.

Speaker 4:
He knows the economic importance of the region. But if the Trump administration were to try to abandon Asia, that would certainly give great momentum to Chinese prestige and influence in the region. When you think of China-Korea relations, we often pontificate on the question of why. Why does China not do more to punish, to pressure North Korea when it holds such great economic leverage? Because China is quite satisfied with its tremendous economic political leverage, vis-a-vis North Korea. Likewise, vis-a-vis South Korea, many South Koreans harbored the notion that by virtue of the fact that South Korea-China trade surpasses the combination of South Korea-US and South Korea-Japan trade, means that South Korea remains beholden to China. We want to maintain good relations with China. All that is quite sensible. But I think that also favors Chinese interests in the region. The fact that China is able to dictate not only to North Korea, but quite often to the South as well on South Korea security policy.

Speaker 4:
This bodes ill for Korean interests in the future if the US were to shy away from the Asia region. One more thing quickly, if I may. Now that the Park Geun-hye scandal is out there, and there are daily revelations of plain weird details of Park Geun-hye's special relationship with a scandalous character, Choi Soon-sil, South Korea's very abrupt and seemingly irrational policy changes over the past three years are becoming more and more understandable. For example, why did South Korea hedge for three years on the deployment of a sophisticated US missile defense system, THAAD, and then all of a sudden declare that it would? As it did earlier this year. Why did Park Geun-hye attend the 70th anniversary of the Chinese purported victory over Japan? The military parade last September when Park Geun-hye was
among the world's dictators. The only leader from the free world to be present. And then turned her back on China early this year.

Speaker 4:
Why did South Korea hedge for three to four years on joining the TPP? Because South Korea wanted to maintain good relations with China. Why did South Korea all of a sudden close the Kaesŏng industrial complex earlier this year? The only symbolic and real inter-Korean corporation, inter-Korean project. Well, it seems that such whimsical policy changes to some extent have been affected by Park Geun-hye's reliance on advice from this shady character.

Prof. Ezra:
I'm going to say a few words about how I think China perceives the Korean issue. They have been very disappointed with our man with low soft power in North Korea. And they have made no secret of the fact that they've been very dissatisfied with him. And that their main interest is in a relation to the Korean peninsula is with South Korea. And China considers that Korea is a neighbor that's going to stay, and they want to have a continuing leverage over the Korean peninsula. And it's better from their point of view if the United States does not have direct talks with the North Korea, which they can manage. And I think in the early part of Park Geun-hye's presidency, they did extremely well by getting her to attend that celebration in Beijing. And I think it really had to do with North Korea and making advances in the nuclear weapon development that scared South Korea. And feeling that they had to do something to defend against that.

Prof. Ezra:
And that's when the US THAAD missiles came in, which strengthened South Korea's relationship with Japan and with the United States. And I think that we can anticipate that the Chinese will continue to try to develop closer relations in South Korea. And I think one of the reasons they want to put more pressure on North Korea not develop the nuclear weapons, is so that they can keep good relationships with South Korea, Japan, and with United States. So I think we have to consider that China will be a very active player in the Korean peninsula. And remember they went to war in the Korean peninsula and lost nearly a million people as a result of that.

Speaker 13:
We're almost at the end of our time, so I'll call on two more people. If you would keep your question quite brief. Yes. You in the blue shirt, yes.

Speaker 16:
Okay. What would it look like when President [inaudible 01:50:36] gave the speech at the UN about human rights, about gender equality, or something like that? Thank you.

Speaker 13:
Final question. Yes.

Speaker 17:
Thank you. Although it's not very clear that Trump will really have what he said in his campaign, but it seemed that Trump government may have its policies more isolated to the rest of the world. So if that
happened, what kind of impact will on the United States global leadership? That's one question. Another very short [crosstalk 00:21:15]-

Speaker 13:
No, no, no. Two questions you have. Okay. Yes. Do you want to?

Joseph Nye:
If Trump were indeed to isolate the US or to turn inward, it would have a very strong effect on US leadership. And that's why we've been puzzled about what he really intends to do. It's very hard to find from just looking at his statements in the campaign or from the appointments that he's made thus far, and we're missing a key appointment, the secretary of state, it's very hard to give you a firm prediction for it. But if I had to make a guess, I would guess that you've heard a lot more barking than biting. In other words, I would not predict the Americans turning inward over the next four years. If you look at the Chicago Council on Foreign Relations poll that came out around September, it showed majority of the American people did not want to turn inward.

Joseph Nye:
And it also showed that a majority of the American people were accepting of immigration. So the fact that Trump won the presidency by 100,000 votes in three Midwest states, which had rust belt problems, and lost the popular vote by 2.5 million votes, we shouldn't over-interpreted this election to a massive inward turning wave of public opinion in the United States. What the Chicago poll shows is just the opposite. As the clever and skillful politician, which he is, I would think he'll pay attention to what public opinion is. And it's not 100,000 votes in three rust belt states. That got him the electoral college, it's not necessarily going to give him the support he needs overall for foreign policy.

Prof. Ezra:
I think just as the countries in East Asia will try to look both to China and to the United States. So I think the United States will also not only look inward, but look outward. I speak as a Midwesterner who spent the first 20 years of life in the Midwest. And I think a lot of my friends who voted for Trump, they're not going to separate from the world either. They're going to go abroad. They're going to have trade. The Ohio farmers listen to international reports on weather in China because it affects what they're going to be able to sell next year. And those are among the people who voted for Trump. So I think because we are a very diverse country, very democratic with a lot of initiatives, that Trump is not going to stop us from keeping up with the world. Thank you.

Speaker 13:
Any final...

Speaker 3:
I too don't expect Trump to be turning inwards. I think he might well have a more limited understanding of what will help support American national interest. I think that's certainly the case. But I think very soon he will learn that, hopefully before the lessons are too expensive, I think very soon he will learn that it will be impossible for him to achieve his goal of putting America first if America tends inwards either in the economic or in the security realm. And I think once he finds that out, hopefully he will be
pragmatic enough, as he has shown himself to be, to undertake corrective actions. And hopefully at that point of time it will not be too late for America.

Speaker 4:
Five years ago when Kim Jong-un took over in the wake of his father's death, December 17th, very few people would have foreseen that regime change in Korea would come first to the South, not the North. I think in a perfect world, in our academic world in other words, there are lessons to be drawn from what's going on in the Korean peninsula. That public opinion is the fundamental, really the essence of any government. As David Hume said many years ago, "It is on public opinion only that regimes are founded from the most military and despotic, to the most free and liberal." And taking that, applying that lesson to Mr. Trump, I think, or I hope that Trump will come to understand that public opinion is all that he has. And that he will pursue a sensible policy toward Asia for the next four years, perhaps muddling through, but not doing anything drastically irrational.

Speaker 13:
Well, on that note, I suspect that we have not made anyone in this audience feel decidedly better. But I hope so much that we haven't made you feel decidedly worse. And I really thank you so much. And I want to thank Andrew Gordon for convening this. This was the idea of James Evans, who's standing there in the back of the Harvard–Yenching Institute. Thank you all for coming today.

PART 4 OF 4 ENDS [01:56:52]