



**CHINA IN ASIA:
CHINESE INFLUENCE, ASIAN STRATEGIES, AND U.S. POLICY RESPONSES**

February 23, 2006

EXECUTIVE SUMMARY

The Institute for National Strategic Studies (INSS) at National Defense University (NDU) and the American Enterprise Institute (AEI) jointly organized a conference examining China's role in Asia and U.S. policy responses. The organizers were Claude Barfield (AEI); Dan Blumenthal (AEI); Ellen Frost (NDU/INSS and Institute for International Economics); and Phillip C. Saunders (NDU/INSS). Henry Yep (NDU/INSS) served as rapporteur. The conference was the culmination of a year-long collaboration on the China in Asia seminar series. (Summaries of previous seminars were distributed at the conference and are available at: http://www.ndu.edu/inss/AEI-NDU_China_Seminars). The conference included on-the-record presentations by a mix of U.S. and international experts followed by not-for-attribution discussions.

Three key findings emerged from presentations and discussions. First, China's economic and military power is increasing, and many Asian countries (especially in Southeast Asia) are accommodating China's increasing influence. China, as one presenter observed, has a "thoughtful and beautifully-executed strategy" to reassure its neighbors by participating in regional institutions and pursuing a policy of peaceful development. This has alleviated regional fears, but China's long-term ambitions remain a concern for many countries. As economic and political linkages with China grow, Asian countries may become less willing to cooperate with the United States in the event of Sino-U.S. tensions.

Second, a number of speakers argued that the United States lacks a clear Asia strategy. U.S. involvement in the Middle East is diverting resources and leadership attention from Asia. The United States has increased its interactions with ASEAN, but regional experts noted that U.S. activities are having limited impact compared with Chinese efforts. The U.S. counterterrorism agenda does not match the interests of Asian governments focused on economic development and stability. One speaker noted the United States needed to treat Asian countries as "equal partners." U.S. disaster relief and security assistance efforts were praised, but speakers argued that these activities cannot substitute for clear strategic priorities and high-level engagement.

Third, several panelists argued that the United States needs to support Asian regional integration and be more actively engaged in regional institutions. The United States should not view institutions such as the East Asian Summit negatively just because it is not a member. Instead, it should actively support regional organizations to signal U.S. interest in Asia, support the rule of law, and promote positive norms of governance. Other recommendations included naming a senior envoy or official to oversee U.S. engagement with Asian institutions, drawing upon scholars and Asian-Americans to expand U.S. representation in regional meetings, signing the Treaty of Amity and Cooperation, and conducting a major presidential visit to sign the treaty and to highlight Asia's importance to the United States.

Introduction

National Defense University's Institute for National Strategic Studies and the American Enterprise Institute co-organized a one day conference examining China's role in Asia and U.S. policy responses. The conference was the culmination of a year-long collaboration on the China in Asia seminar series. (Summaries of previous seminars were distributed at the conference and are available at: http://www.ndu.edu/inss/AEI-NDU_China_Seminars). The conference included on-the-record presentations by a mix of U.S. and international experts followed by not-for-attribution discussions.

The conference began with welcoming remarks from National Defense University President Lt. Gen. Michael Dunn, who praised the organizers and highlighted the collaboration between National Defense University and the American Enterprise Institute. Dr. Phillip Saunders (National Defense University) presented a brief analytical summary of key findings from the seminar series that highlighted the importance of interactions between economics and security in understanding China's impact on Asia. Daniel Blumenthal (American Enterprise Institute) noted how competing analytical approaches to China shaped interpretations of data and trends, contrasting David Shambaugh's portrayal of a China increasingly accepting regional norms with Ashley Tellis' view of a China seeking to cushion responses to its rising power.

The conference itself was organized in three panels. The first panel examined Asian responses to China, with panelists from the Philippines, Japan, Thailand, and Mongolia. The second panel focused on U.S. policy in Asia, with presenters offering specific policy recommendations for Southeast Asia, Northeast Asia, and the region as a whole. Dr. Robert Hormats of Goldman Sachs International gave a keynote address over lunch. The third panel featured a broader discussion of U.S. foreign policy in Asia and beyond.

Panel I: Asian Strategies for a Rising China and Desired U.S. Role

Dr. Renato Cruz De Castro (De La Salle University, Philippines)

The Philippines has adopted a hedging strategy with China, although the term "strategy" is used loosely because the government is simply reacting to a rising China rather than pursuing a real strategy. The Philippines seeks to cooperate with China as much as possible in concert with the Association of Southeast Asian Nations (ASEAN). Due to historic and geographic considerations, the Philippines prefers an alignment rather than an alliance to balance against China. At this time, "There's simply no point to confront China." The Filipino military has limited capabilities and must focus on anti-insurgency operations against the National Democratic Front and separatists on Mindanao.

Despite ongoing maritime disputes between the two countries, China has made concerted efforts to erase the image of being a potential threat. Both countries have undertaken low level military exchanges, intelligence sharing, and port visits to improve relations. China has also provided the Philippines non-lethal military assistance. China took advantage of the Philippine's decision to withdraw troops from Iraq by offering to upgrade President Gloria Macapagal-Arroyo's visit to China from an official visit to a state visit if the Philippines agreed to sign various cooperation agreements, including joint seismic surveys for oil resources. Both countries have agreed to promote peace, cooperation, and development in the South China Sea.

Mr. Yoichi Kato (Asahi Shimbun)

Three major challenges exist in Sino-Japanese relations. First, ongoing historical issues represent “the most serious problem” facing Sino-Japanese relations. Visits by Japanese government officials to the Yasakuni Shrine continue to fuel anti-Japanese sentiment in China. China criticizes Japan for its “absence of repentance.” However, public opinion in Japan indicates a widely shared sense of “apology fatigue.” Mr. Kato believes this public opinion pushes Prime Minister Junichiro Koizumi to “stand tough” but Koizumi has now become a “prisoner of his own decision” to visit the shrine. The Taiwan Strait is the second area of contention between China and Japan. The U.S.-Japan joint statement declaring peace across the Taiwan Strait to be a “common strategic objective” drew complaints from China. Japan’s Ministry of Foreign Affairs viewed China’s response as “an over-analysis” of the situation and reiterated that there was no change in relations with Taiwan. Third, both countries must face the challenge of equal coexistence. Historically, there has never been a time when China has coexisted on equal terms with another power of similar stature. U.S. involvement in strategic dialogue is essential to enhance regional stability since neither China nor Japan are used to treating one another as an equal partner.

It will be difficult to predict where Japan’s policy is going, since China policy is dictated by politicians, not bureaucrats. China appears to have a more lenient approach towards Mr. Shinzo Abe, a leading candidate to replace Prime Minister Koizumi. China is trying to overcome the history issue by focusing on more positive areas of the relationship such as common interests in economics and security in Asia. However, China faces its own challenge of managing anti-Japanese sentiment and may be inclined to allow expressions of anti-Japanese views for domestic political expediency.

A downward spiral in Sino-Japanese relations is not in the U.S. interest, but Washington must be cautious in how it raises historical issues with Japan. The Bush strategy is to pursue a “freedom agenda” in Asia, but Japan has never fought for the ideals of liberty, freedom, and democracy. A more practical and less ideological approach by the United States may be more suitable. Kato advised Washington to solve regional conflicts in a “low-intensity” manner, cautioning that the U.S.-Japan security alliance is not designed for “high intensity conflicts” other than the defense of Japan. Taiwan may bring this issue to the fore.

Dr. Panitan Wattanayagorn (Johns Hopkins SAIS)

Thailand’s relationship with China is based upon pragmatism and necessity. Although Thailand is a major non-NATO ally of the United States, it enjoys a closer relationship with China than the United States due to longstanding historical linkages. The closeness of the Sino-Thai relationship was symbolized last year by the Thai princess visiting every province in China to commemorate the 30th anniversary of Sino-Thai relations. Trade is a very important component of Sino-Thai relations, with many Thai politicians viewing the Sino-Thai free trade agreement as a necessary component of the relationship. Bilateral trade with China amounts to nearly \$20 billion/year, approaching the level of U.S.-Thai trade.

Some concerns do exist in the Sino-Thai relationship. First, Thailand has a growing trade deficit with China, with Thailand’s agricultural sector particularly affected by Chinese competition. Second, increased Chinese immigration causes some Thai politicians to worry about

Chinese political influence within the country. Third, China's support for Burma continues to make it a strategic liability for Thailand and other members of ASEAN.

There is a mismatch of U.S. and Thai policy concerns over China. The United States is concerned about superpower issues like hegemony and democracy; Thailand has more limited concerns about survival and economic development. Ideally, the United States should adopt a more coherent policy and fix the perception that it is disengaged from the region. Efforts to increase the capacity of ASEAN would be welcome. Even in the areas of military and security cooperation, Dr. Wattanayagorn believes more can be done to combat terrorism and the trafficking of narcotics.

Ambassador Ravdan Bold (Embassy of Mongolia)

Ambassador Bold provided personal observations of China's rise. He noted Mongolia's long land border with China and long historical legacies shared by both countries. As China continues to develop, it could face an "identity crisis" as new generations of leaders come to the forefront. China has fostered good neighborly relations with surrounding countries through the Shanghai Cooperation Organization and with Mongolia, which has benefited from cooperation in trade and energy with China. A strong U.S. presence in the area is desired for the promotion of freedom and democracy. According to Ambassador Bold, "The rise of China will always be endless, important, and at the same time challenging for all Asian nations."

Discussion

A panelist indicated that there is a mix of realism and liberalism in Sino-Philippine relations. China is playing the realist game in a very sophisticated manner, but differences in ideals and values are an obstacle to China building better relations with the Philippines.

A U.S. official noted that presenters had not mentioned recent U.S. actions, such as the U.S.-ASEAN enhanced partnership initiative, President Bush's November 2005 summit with leaders of seven ASEAN countries in Pusan, and U.S. financial support for some 40 ASEAN activities in 2005. Indonesia and the Philippines are the two largest U.S. foreign aid accounts; the United States has also participated in major disaster relief efforts, including more than \$1 billion in tsunami relief efforts. The official asked what more the United States could do.

A panelist responded that China is playing a sophisticated "mind game" using a soft power approach in Asia. U.S. activities are not having an impact on popular perceptions, while China is earning more attention in the region because its actions are relatively new phenomena. Another panelist argued that the issue is not so much the amount of resources that the United States invests in the region, but the need for the United States to treat Asian countries as "equal partners." The perception that China is working with other Asian countries as equals is helping Beijing win influence.

ASEAN may be in a better position than Japan to respond to China's rise. Japan lacks a clear strategy of what regional order it desires and faces self-imposed restrictions that hamper efforts to develop an effective and comprehensive strategy. Since Japan still is not a "normal country," it is not in a good position to balance against China.

Panel II: Geographic Recommendations for U.S. Asia Policy

Dr. Marcus Noland (Institute for International Economics)

Dr. Noland highlighted Northeast Asia's increasing importance in the world economy, noting that trade and investment ties are growing closer at the same time that national interests are diverging. China's economic growth will likely continue for another couple of decades, driven by a shift from low-productivity labor to higher-productivity manufacturing and services. U.S. policy has focused on currency/exchange rate issues. A higher yuan is not a panacea. The United States should adjust its policy, but this does not seem likely. China is not an ally and is unlikely to accommodate U.S. demands for currency revaluation as Japan did during the 1980s.

In terms of macro-economic cooperation, Asia was very disappointed with U.S. performance during the Asian Financial Crisis of 1997-98 and has pursued greater regional cooperation and pushed for greater influence within the Bretton Woods institutions. The most prominent regional initiative has been the Chiang Mai Initiative (CMI), launched in May 2000. Asian countries are now actively considering the promotion of a regional bond market and the adoption of a common basket currency peg. Political will and the China-Japan rivalry are significant obstacles, but Dr. Noland expects the CMI process to expand within the next four to eight years.

In contrast with the United States, China has a more proactive approach towards trade agreements. Countries face relatively high hurdles in trade negotiations with the United States, which uses trade negotiations to pursue social goals such as changes in labor and environmental standards. China is mainly concerned about lowering tariffs. Limited progress in the Asia-Pacific Economic Cooperation (APEC) forum has led to an emphasis on bilateral and regional free trade agreements, which are actually preferential trade agreements. The United States could reemphasize global liberalization through the World Trade Organization and thereby undercut the value of bilateral preferential deals. However a successful Doha round will require significant agriculture liberalization and concessions to developing countries. The United States could also make a more concerted effort to join Asian initiatives or expand its own set of preferential agreements.

Dr. Muthiah Alagappa (East-West Center, Washington, DC office)

China's rise will present a mixed picture over the next decade. First, China's economy will continue to grow, but perhaps at a slower pace. It will become more integrated within the global economy and will function as a key engine of growth in Asia. Second, China's military capabilities will expand to reflect China's strength and to limit China's vulnerability to U.S. power. China's military will serve "to prevent domination of Southeast Asia by any power except itself" and to protect the sea lines of communication (SLOCs). Third, political uncertainty may grow within China due to increased political pressure from the population. It remains unclear if political development can be undertaken smoothly or will foment turmoil. Fourth, Chinese influence within Asia has grown and will continue to grow. China has acted pragmatically thus far and appears not to be in a hurry to change the current regional order, but certain countries in Asia and elsewhere remain concerned about China's long-term intentions. However increased Chinese influence is not the same thing as a China-led Asia.

The U.S. goal, Dr. Alagappa said, should be to prevent the need for countries to bandwagon with China. A concurrent goal is to maintain growth in U.S. power and develop a framework that benefits all states. The United States should cooperate with China bilaterally and foster the “socialization of China” by supporting initiatives to make it a member of important global economic institutions. Working in these institutions could moderate Chinese behavior, making it more willing to work within established international norms and principles. The creation of additional centers of power (ASEAN, India, Japan, and Russia) could be a stabilizing tactic if not aimed at containing China. The U.S. should provide increased options for Asian states that are in difficult situations. Mongolia, Vietnam, and Singapore all hope that the United States will play this role.

The United States should also be engaged in shaping the discourse on Asian regional institutions. Perhaps an envoy or top official could be assigned responsibility for developing Asian institutions to provide more high-level U.S. attention towards the region. The United States should encourage a range of regional institutions, including those in which it is not an active member. Such a strategy would promote the rule of law and increase the perception that the United States is working on behalf of Asian interests. The U.S. faces a legitimacy deficit in Asia which could be overcome by providing more security, economic, and cultural public goods. The U.S. needs to engage Asia in a normative discourse about values for governance to build agreement on norms and legitimacy.

Dr. Marvin Ott (National War College)

The United States needs a clear strategy towards Southeast Asia because none currently exists. Southeast Asia is being neglected by U.S. global strategic thinking despite the existence of a potential peer competitor in a region growing in economic importance. A real strategic challenge exists due to Chinese initiatives to develop a “thoughtful and beautifully-executed strategy” to increase its regional influence. The challenge should not be viewed as a “yellow peril,” but as a case of classic geopolitics resulting from China’s rise. The United States needs to think through its interests, challenges, and available resources in a strategic manner.

Dr. Ott offered the following policy recommendations for U.S. strategy towards Southeast Asia:

- Clarify U.S. thinking regarding the SLOCs. The last formal U.S. East Asian strategy document “says essentially nothing” about the South China Sea, despite numerous Chinese claims to sovereignty over the area;
- Initiate security dialogues with each Southeast Asian country at whatever level they desire. The payoff would be an eventual meeting of the minds on China;
- Evaluate whether or not the tsunami relief experience offers a template for an institutionalized multilateral security arrangement that includes Japan, the United States, India, Australia, and facilitation by Singapore;
- Mount an intelligence collection and analysis effort on Southeast Asia to understand the depth of China’s strategic involvement in the region;
- Assist in the development of regional think tanks throughout Asia and increase the numbers and capabilities of foreign interlocutors to participate in strategic dialogue;
- Maintain existing counter-terrorism cooperation;
- Reassess U.S. policy towards Burma, which drives Burma into China’s arms;

- Task the Department of State's Intelligence and Research Bureau to assess the strategic implications of China's role in developing the Mekong River Basin;
- Sign the Treaty of Amity and Cooperation, which would highlight U.S. willingness to engage Asia on its own terms.

Discussion

The United States should not view Asian regional organizations without U.S. membership negatively. The United States is already a member of many organizations and does not have to belong to every organization to exert influence. Key U.S. allies may be able to voice U.S. interests in organizations without U.S. membership.

China's behavior in the South China Sea has improved in recent years. Since the 1995 Mischief Reef incident with the Philippines, China has decided to "ratchet down the issue" and remove it as an irritant for China-Southeast Asian relations. Although China has signed a code of conduct and pledged good behavior, it has not done anything to compromise its fundamental territorial claims.

Keynote Address

Dr. Robert Hormats (Goldman Sachs)

China's potential to challenge the status-quo is not historically unprecedented, but previous cases of rising non-status quo powers have been disruptive. The United States is a status quo power in Asia, but not in the Middle East, where it is devoting much time, attention, and resources to non-status quo objectives. As a result the United States is distracted from other important areas such as Asia. U.S. tsunami aid was very effective in winning support in Asia and in the Muslim world, but Asians question whether the United States will commit sustained attention and resources to the region. It is extremely important for the United States to stay engaged in Asia.

China's leadership has a realpolitik attitude toward Taiwan, but is primarily focused on internal issues such as inequality, a deteriorating health care system, and social security. The United States can play a positive role in helping China address these challenges. Dr. Hormats noted that the United States and China have many converging interests, especially in the energy sector. China is increasingly concerned that the United States could use oil as a source of leverage. Currently, only 10% of Chinese oil imports are owned by Chinese facilities. The United States could alleviate concerns by helping China modernize its coal mining industry, improve energy efficiency, and become less dependent on foreign oil. Joint efforts to protect the SLOCs could also alleviate concerns of a U.S. strategic threat.

Dr. Hormats argued that the greatest deficiency in U.S. China policy is in prioritization, not in the individual policy components. The United States needs to set clear priorities internally in order to get results. The U.S. agenda is getting more clogged as Congress becomes more active on economic issues, often in very clumsy ways. U.S. policymakers need to identify those in China who are sympathetic to our concerns about issues such as IPR and currency revaluation and find ways to work with them.

In response to a question about whether Deputy Secretary of State Robert Zoellick was playing the role of the "go-to guy" for China policy, Dr. Hormats noted that Zoellick is very well

respected and has had excellent dialogue with senior Chinese officials. However, different agencies have difficulty coordinating their competing agendas under the broader agenda that Zoellick is creating with China. It is hard for someone who is not a cabinet secretary to play that leading role and expend political capital to coordinate with other agencies.

Panel III: Overall Recommendations and Discussion

Dr. Hugh De Santis (Globe Strat, Inc.)

China's modernization will have profound implications for Asian regional integration and for U.S. policy. China's economic integration with Asia is becoming a reality and will deepen. Increased trade will help foster an East Asian community that may include India. Some believe that China will limit U.S. access to Asian markets, but no direct evidence exists to support this assumption.

U.S. security interests will inevitably be affected by China's rise. As other countries benefit from greater economic cooperation with China, they may be less willing to cooperate with the United States in the event of a Sino-U.S. conflict. China's rise will weaken the "hub and spoke" of Asian regional security and could impact U.S. military deployments. Eventually, the United States must learn to share power with China. It is a virtual certainty that U.S. influence in Asia will decline relative to the last fifty years. This would be especially true if the Taiwan issue is settled or if Korea unifies, which would diminish the U.S. military presence in Asia.

China's ascendancy provides both opportunities and threats. China's "peaceful development" strategy could be a ruse to deceive Asian countries and supplant U.S. power. On the other hand, "China may seek to become the centerpiece of an economically integrated and politically stable Asia." The United States therefore "needs to hedge its bets against a hegemonic China," but in "a way that does not create a zero-sum game." This should involve efforts to guard against potential Chinese unilateralism in East Asia, coupled with support for regional economic integration that will ease Chinese fears on encirclement.

The United States should shore up security relations with Japan and India, but these relationships should not be aimed against China. Track-two diplomacy should be revitalized with conferences bringing together U.S., Chinese, and Japanese historians and scholars. There should be more U.S. support for regional economic integration, even for institutions without U.S. membership. Doing so would reduce China's fear of encirclement and enmesh China within a network of agreements. U.S. policymakers need to think more imaginatively and realize that unipolarity will not last. We need a more dispassionate view of China and should abandon the stereotype of China as an inevitable security threat.

Dr. Sheldon Simon (Arizona State University)

Partly due to the legacy of the Cold War, the U.S. strategic mindset in Asia is heavily based on military power. In the current environment, joint power projection is achieved by increased use of lighter expeditionary forces rather than heavier armored units. Lighter forces and strategic mobility produce forces that are more deployable and that can conduct missions beyond conventional military activities. The U.S. Pacific Fleet plays a very important role in U.S. diplomacy, especially in disaster relief. The U.S. military's ability to respond to the tsunami dramatically improved the U.S. image in Indonesia. As U.S. allies and partners in Asia become

more powerful, the U.S. role is shifting from security guarantor to security partner. The U.S. should welcome improved Japanese and South Korean defense capabilities, applaud developments such as joint anti-piracy patrols in Southeast Asia, and provide technical assistance to countries such as Indonesia and Malaysia to help protect the Strait of Malacca.

For the PRC, grand strategy consists of the plans and policies necessary to enable China to emerge as a great power in the 21st century. There are four obstacles: 1) U.S. strength; 2) Chinese weakness; 3) negative reactions to China's growth and military modernization; 4) Taiwan. China has sought to articulate a strategy of "peaceful development" to remove these negative perceptions, with some success.

East Asia has developed important regional institutions such as APEC, the ASEAN post-ministerial conferences, and the ASEAN Regional Forum. The United States belongs to many of these organizations, but tends to view them as "talk shops where cooperative rhetoric seldom is followed by implementation." Secretary Rice passed on the 2005 ASEAN Regional Forum meeting and the United States did not try to attend the East Asian Summit. This sent an unfortunate message that the U.S. is not interested in regional organizations. The United States should be on the inside supporting these organizations. President Bush's decision to inaugurate an annual summit with ASEAN in November 2005 is one piece of good news.

The United States needs a more coherent doctrine towards Asia. Containment is an obsolete strategy that won't work against China; strategies focused primarily on counterterrorism or preventive war will not play well in Asia. The U.S. policy goal should be integration, based on a shared approach to common problems. Issues such as terrorism, nuclear proliferation, and infectious disease that are the "dark side of globalization" pose the biggest threat to the United States, not a great power rival.

Dr. Ellen Frost (Institute for International Economics/National Defense University)

Dr. Frost stressed the need to rebalance U.S. Asia policy. Careful management of Sino-U.S. relations is crucial for the future. There is great potential for mismanaging relations during the 2008 U.S. presidential election. Many issues exist that could distract the United States from China and the rest of Asia, including the possibility of another major terrorist attack on U.S. soil.

U.S. foreign policy tools in Asia need to be rebalanced. Despite the U.S. military's effectiveness in disaster relief operations, a military-oriented policy provides an imbalanced perspective of the United States. Other foreign policy tools, such as economic assistance or education programs, could be used to improve the U.S. standing in Asia. Dr. Frost suggested that the United States should back down from its "overbearing message of anti-terrorism." "Nation building and development are primary concerns" in Asia. The United States might also need to rebalance its relationships with China and Japan, noting that some Japanese worried that Japan could be "too close" to the United States.

The United States also needs to balance what it says with what it does. The perception of double standards in U.S. foreign policy breeds resentment. The United States preaches free trade, but practices protectionism on sugar and beef. The United States deplores others' use of force, but used it against Iraq. The United States advocates human rights, but has abused prisoners of war. The United States should either correct its behavior or tone down its rhetoric.

Dr. Frost called for a long-term rebalancing of U.S. strategy. The United States pays too much attention to the Middle East at the expense of Asia. A shift in global priorities is necessary. The United States should take real steps to work seriously with Asia. For example, the United States should sign the Treaty of Amity and Cooperation, with the President traveling to Asia to sign the treaty and make a speech highlighting Asia's importance to the United States.

Dr. Nick Eberstadt (American Enterprise Institute)

China is presumed to be heading towards becoming the most powerful state in the most important region of the world. Consequently, everyone else will have to adjust. Dr. Eberstadt contrasted post-World War II developments in Asia and in Europe and argued that the German question was settled and the Japan question was not. The United States enjoys multilateral relationships in Europe versus a hub-and-spoke mechanism in Asia. A multilateral approach to Asia would be better. A mechanism similar to the six-party talks could be created, which would expand upon the existing organization to create a more formalized institution. However, in order to successfully implement a security network, members must share fundamental values. The United States should therefore focus its multilateral efforts on countries such as Japan and South Korea. This could provide security and would not necessarily be a non-starter with China.

Discussion

One panelist argued that the benefits of the United States of joining the East Asian Summit (EAS) exceed the costs. China has downgraded its evaluation of the EAS after its first meeting, since Indonesia was successful in adding other members, thereby weakening China's influence in the forum. It would be much better for the United States to be on the "inside engaging rather than outside complaining." Joining the East Asian Summit would send a positive symbolic message. U.S. membership might have a negative effect on the Asia-Pacific Economic Cooperation forum, but the EAS could replace APEC.

A U.S. government official highlighted the difficulties in refocusing U.S. global policy. It is difficult to get U.S. political leaders to travel to Asia, and available diplomatic resources are limited. Efforts are underway to reposition Foreign Service officers, but how can senior U.S. officials be convinced that Asia is a priority? Focusing the attention of top policymakers on Asia is a difficult challenge. A panelist agreed that Iraq is sucking U.S. resources from Asia, noting that U.S. Information Services offices in Indonesia's second largest city had been closed.

Participants argued that the United States needs a strategic focus on Asia that includes greater resources. Congress and the Office of Management and Budget need to recognize Asia's importance and allocate resources accordingly. The Secretary of State should also play a more prominent role in Asia policy. Despite praise of Deputy Secretary Zoellick's work at the ARF meeting, he does not have the same clout as Secretary Rice.

One panelist argued that the U.S. foreign aid and broadcasting budgets are spent very badly. If the United States is going to engage in a global competition of ideas, it needs adequate personnel. A conference participant noted that a little bit of government financial support for more U.S. academic participants at Conference on Security and Cooperation in the Asia Pacific (CSCAP) meetings would be an inexpensive way to expand the U.S. regional presence. Another

participant noted the potential for Asian-Americans originally from ASEAN states to play a more prominent role in U.S. regional activities.

Conclusion and Acknowledgements

The China in Asia policy conference brings the NDU-AEI collaboration on the China in Asia seminar series to a close. National Defense University's Institute for National Strategic Studies and the American Enterprise Institute will independently draw upon the seminar and conference presentations, core group discussions, and policy recommendations from this conference to prepare their own separate reports with recommendations for U.S. policy toward Asia. The reports will be posted on each organization's website.

The seminar co-organizers would like to acknowledge the strong backing they received from the NDU and AEI leadership and the excellent logistical support from the NDU/INSS and AEI conference and events staffs. Ed Roman in particular played a critical role in the conference arrangements. We thank our presenters, keynote speaker, and conference participants for the high quality of their presentations and comments. The organizers would also like to thank Alex Liebman (Harvard University) for his intellectual contributions in helping to frame the seminar series agenda, Tamara Shie (NDU/INSS) for her work in coordinating with speakers and the core group and in preparing summaries of the seminar presentations and core group discussions, and Henry Yep (NDU/INSS) for serving as conference rapporteur. Tamara Shie, Christopher Griffin (AEI), Jessica Browning (AEI), and Daniel Geary (AEI) all provided important support for the China in Asia seminar series, which provided the foundation upon which this conference was built.

Comments or questions about the conference and seminar series may be sent to Dr. Phillip C. Saunders via email at saundersp@ndu.edu.

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