

Post-Election Priorities for Japan and the United States
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TRANSCRIPT

Panelists:

Kuni Miyake

Daniel Twining

Yuki Tatsumi (Moderator)

Yuki Tatsumi: Good afternoon. Thank you for joining us this afternoon. My name is Yuki Tatsumi, Co-Director of the East Asia Program and Director of the Japan Program here at Stimson. We are actually competing with the biggest Jewish religious holiday today, Yom Kippur, so despite that I appreciate all of you coming out. This endeavor that – Stimson’s collaboration with the Canon Institute of Global Studies that began back in – a couple of years ago – when we started out this effort, there were so many venues that talk squarely about the U.S.-Japan bilateral issues, like alliance management, Okinawa’s base, trade, but there really was not a forum to talk about what Japan thinks outside those bilateral arrangements and how that would jive, or doesn’t mesh, with the United States. So we thought it would be a fun conversation to have, and not too many other places, I thought, were doing that. So I thought that we fill that vacuum. And hopefully we have been moderately successful. I’m very honored to have these two gentlemen with me today. Sitting immediately to the left of me is Mr. Kuni Miyake. Many of you know him already, so I don’t bother spending time introducing except that he currently works as the Research Director at the Canon Institute of Global Studies in Tokyo. Before then he has been – he was in Japanese foreign service. He was a Middle Eastern specialist but also spent many, many years doing alliance management issues. And Kuni and I go way back when, when we were both younger and have less wrinkles. Next to Kuni is Dan Twining, again Kuni’s longtime friend and he’s become a good friend of mine since also. He worked for late Senator John McCain for many years on the Senate and now currently – and also served as the director of the Asia program and a counselor at the German Marshall Fund for many years. And now, most recently, he has been serving as the president and CEO of the International Republican Institute. We’re really excited to have these two gentlemen. Today’s seminar – today’s conversation’s theme is the post-election priorities for Japan and the United States. And since Japan’s Liberal Democratic Party’s presidential election is closer, with happening, I think, it’s tomorrow, so I would start off with you, Kuni. It now looks like almost two hundred sure bet that Mr. Abe will be reelected and getting into his third term as the LDP president. And that will give him also another term as the prime minister, which will, if he completes that next three years, he will become the longer – the longest-serving Prime Minister of Japan since Japan moved into the constitutional – constitutional democracy system. So with that, what do you think Mr. Abe tries to accomplish in his final years as the prime minister?

Kuni Miyake: First of all, happy Yom Kippur day. I – this is the only day available for me, so I had to come here on the 19th. But in Tokyo, to the best of my knowledge – at least I was not paying the attention to the LDP presidential election anymore, because it was already finished sometime in the summer, in my view. When Mr. Ishiba dropped out, that was the end. So what’s

happening is, of course it's the democratic process inside the LDP, and Mr. Abe will win and he has to win by a landslide, overwhelmingly. But probably – it seems to me that he's going to be winning with very much conflict, because Mr. Ishiba is trying, but I don't think he can win majority votes from the LDP members, not the parliamentarians. As far as the parliamentarians are concerned, Mr. Abe enjoys almost 80 percent of the votes of 405, so probably the result is already there. And I'm not excited. So he will enter the third time the day after tomorrow, and what does he do? I don't know. He's been doing his job for the past six years and probably a few more years to go. Will he try to amend the Constitution? Probably he wants to, but can he do it? I do not know. I don't think he can easily. Other businesses – a lot and one of the – one of the most important things could be how to deal with Mr. Trump. And so far so good, but Japan is no exception to other allies. I mean those countries who suffer from the difficulties coming from Washington, D.C., will unfortunately – will sooner or later face some difficulties. But it's also predictable. So I – as far as I'm concerned, I'm much more concerned about the dramatic, or even systematic, change in the national security environment in East Asia, especially in Northeast Asia. It has just been caused by Mr. Trump, to be honest. So I'd like to take questions about the LDP presidential elections later, but I'd like to focus on the rapid change in the strategic environment in East Asia later.

Tatsumi: Thank you, Kuni. Dan, so, Kuni just talked about so many changes which has been kind of triggered by Mr. Trump's coming into the office, and now we're getting into the midterm election season here in the United States as well. And past November, what do you see – what do you see as the Republican priorities, especially when it comes to Asia?

Daniel Twining: Right. So, let me just say I'm delighted to be here. I'm looking forward – there's lots of wisdom in this audience. I'm looking forward to engaging with all of you. I also come to these partly just to listen to Kuni, so I'm really happy to be here with you and Yuki. I should also say I don't work for the president. I run a nonprofit organization that works around the world to support democracy, which is not a partisan, even though we have a lot of Republican luminaries on our board. So, a couple things: one is, you know, the reason we have things like midterm elections are to serve as a course correction and traditionally midterm elections have done that in the U.S. system. We're all working at IRI in almost 100 countries on democratic development, and sometimes people say, "Well, gosh, democracy isn't working perfectly in the United States," and we say, "Well, that's why we have things like independent institutions and an independent judiciary and a free media and things like midterm elections and a congress that frankly is as powerful, perhaps more powerful, than the president." And those are good things to have in this day and age, I would say, for America and for any country, right? So we expect to see some significant changes, including Democrats doing very well in our elections. I'm interested in whether we can recreate a foreign policy consensus in the United States around U.S. engagement in Asia. I actually don't think all is lost on that score. You'll have more to say about our president, but in fact – I mean, I think there are a couple dynamics at play here. One is that we have run in the United States a very bipartisan Asia strategy, I would argue, since the end of the Pacific War. There have obviously been ups and downs, there have been strategic errors – Vietnam perhaps being the most significant of them, the Vietnam War. But in fact there is a lot of consensus across the U.S. system, including in the Congress, including in the Defense and State and other relevant departments, around our posture in Asia, the centrality of the U.S.-Japan alliance, which I would argue is more important today than it was 20, 30, 40 years ago. It's more

important today given the tectonic shifts that Kuni outlined. The enhanced military posture that America is deploying in the region – we actually do have an enhanced military presence, we are actually growing the U.S. Navy after a long period in which we were cutting it. Defense spending in the United States between 2010 and 2016 fell by a quarter, it fell by a full 25 percent, and that was not good for the balance of power in Asia, that was not good for our allies in Asia. The fact that it is growing strongly again, I think, is a hard power contribution that is valuable; the fact that the U.S. economy is driving the global economy and sort of a bright light in a darkening storm out there, I think, is encouraging when you think about the hard power components that are necessary to underwrite U.S. leadership in Asia. I think a lot of us are still waiting to see what the trade strategy is. It doesn't feel like all of President Trump's cards in his deck have been played. There is a lot of support in Congress among Democrats and Republicans and out in the country for rebalancing U.S.-China economic relations – we can talk more about whether the administration is doing that in the right sort of ways. We are all waiting to see what will come in the wake of TPP, which if you were going to design a strategy to ensure that China did not lock down Asia economically it would probably look something like TPP. So we'd like to see what the play is there from the administration, but I actually think we still have a lot to work with, and we should not be too discouraged.

Tatsumi: Thank you, Dan. So, Kuni, you mentioned about this drastic security environment – change in the national security environment.

Miyake: Potentially.

Tatsumi: Potentially. If you can elaborate on that a little bit, I'm a little curious about that.

Miyake: I will talk about what I call the beginning of the end of the system of 1953. The system was created by the armistice agreement of the Korean War back in 1953, although that agreement officially divided, sort of, the peninsula and also provided opportunity of stability. And we benefited a lot from that. Without the armistice agreement there be no miraculous economic comeback of Japan in the post-World War Two era, there might have been no miracle of *Hangang*¹ in South Korea, and probably the China's open-door policy might not have been as successful as they have been. So the armistice agreement provided a golden opportunity for the economic prosperity in East Asia. And unfortunately Mr. Trump might have unraveled the system of 1953, after – on the 12th of June in Singapore by giving Mr. Kim Jong-un excessive international recognition, then without getting much from him. And probably that would weaken the system of 1953, and unfortunately after the 12th of June, two things are clear to me. I hope I'm wrong. I hope I'm wrong, but two things are clear: one, the North Korean nuclearization might be irreversible. Number two, there will be virtually no military option to solve that issue anymore. That means what? We will have nuclear-armed North Korea in the vicinity of Japan and East Asia. Then we have no remedy for that. So we are getting back – oh, we are not back, we are getting closer to the European continent in the 1980s when they had a debate of the SS-20s and Pershing II mid-range missiles, and there was an issue of decoupling. So decoupling issue wasn't there, it wasn't there in Japan or in East Asia for a long, long time, but finally the day has come to discuss the issue of decoupling. So the system of 1953 is 65 years old. I was born in 1953 and I have enough bad figures, bad numbers of medical report, and you have all the

¹ Miracle on the Han River

chronical whatever, but it's the same in the case of 19 – system of 1953. It's changing. We have reserved or we have maintained the system because partly – number one, partly because the deterrent – mutual deterrence was pretty effective, it was working, but at the same time is getting old and there must have been some kind of erosion somewhere in the system. So Mr. Trump unraveling it or maybe weakening it or is transforming it. So what will happen? The deterrent – deterrence worked for the past 65 years, but on the assumption that North Korea is just a conventional force, they are not nuclear-armed. And then North Korea was – had been deterred by U.S., South Korea, and probably Japan sort of alliance with much less level of extended deterrence. That was the reality so far. But if – I hope I'm wrong – but if we are losing the system of 1953, then we have to review the – our national security policy as a whole, because – you see, the Self-Defense Forces of Japan was created, established in 1954, a year after the armistice agreement. In 1960 we revised the security treaty with the United States. That's six years later. So the entire national security policy of Japan was based on the system of 1953, which we might be losing now, whether Mr. Trump knows it or not. He may not know it. But this is not only Mr. Trump himself alone, but it is sort of a probably inevitable process. But he might have accelerated that process. So we are switching from the system of 1953 to a new one somewhere. I don't know when it comes. If we had a better negotiation on the June 12th we could have – we could have been able to predict better what would happen next, but at this moment I do not know what's going to happen. But one thing is for sure: how we – we have to review our national security policy, sooner or later. “We” means Japan. And especially if the issue of decoupling is coming to East Asia, then we may have to discuss the issue of three nuclear principles and the division of labor, our roles and missions, between the United States and Japan, Japanese Self-Defense Forces. So these are the issues we have to discuss. And, for example, do we really have to stick to – can we really stick to the three principles of non-nuclear weapons? We will not produce, we would not possess, but what about the third one? What about allowing the third one? One possibility, theoretical possibilities, one possibility – what about allowing the port visit of U.S. nuclear submarine with SLBMs? That has not been included in the past, but we may have to do something, we may have to discuss that issue. Or as the South Koreans discussed, do we have to deploy tactical nuclear weapons, such as Tomahawk with nukes, on the Japanese soil? That could be another option militarily. Theoretical option – I'm not advocating that. Or what about the case of Germany or NATO? They have a dual key solution. Do we have to have a dual key as well? But dual key doesn't mean a thing, because America has a key and we have a key, but if they – if they don't put it on, there'll be no launch. That means only one key. But dual key is better than one key, no key. That could be another point of discussion. Unfortunately, I hope – I hope I'm wrong, but I cannot think of other options or other scenarios. When we have a North-South inter-Korea summit today and yesterday, and I heard the news but I didn't – I was not convinced that I see something new. So I hope I'm wrong, but this is how I see the world and how I see the region. This is how I see the future of the Japanese national security policy. I hope I'm wrong.

Tatsumi: So given that, Dan, any reactions?

Twining: I agree with you that I hope you're wrong. So this is funny, because I open the paper this morning and one of the pronouncements that had come out of the ROK-DPRK summitry yesterday was that the North Korean regime would dismantle the Yongbyon nuclear facility. And suddenly I had a flashback to being 23-years-old, working in the U.S. Senate on the KEDO issue,

and the fact that Congress was underwriting this, and reading pronouncements that North Korea was going to decommission the Yongbyon facility. And it was like a blast from the past. They can keep playing that card and I guess we can keep accepting it. I must say I'm quite skeptical. It looks to me – I'm not skeptical about this process, because I have been to Seoul since this process began, and the government in South Korea is in a radically different place on the North Korea question than, I think, the governments of Japan and the United States. So I do think there is – there is risk of a strategic split, but I don't think it's between Tokyo and Washington, right? There is something going on around Korean – inter-Korean unity which is separate from the security architecture of Northeast Asia and the alliance system and threats there. So far it looks to me like what has happened is a June 12th summit, which did not actually produce a meaningful set of tangible deliverables, it produced a famous handshake between the leaders of the free world and its most repressive state. This summit is producing more optics and embraces and kind of broad commitments, but really we have not, I think, yet – I mean, they're talking about missile site decommissioning and other things – is let's look, let's sort of, let's see where the rubber hits the road in terms of actions North Korea takes to actually reduce in a verifiable and permanent way its nuclear and missile capabilities. But they've not done that yet. So I think we have to navigate this, but I don't actually think it's a crisis in U.S.-Japan ties. It's not a crisis in U.S.-ROK ties partly because the White House, I think, is trying to test Kim Jong-un on the proposition that he actually does fundamentally want to have a different kind of relationship with the United States and with the world, and fundamentally his objective is regime security and economic opening. I'm personally quite skeptical that that is his objective, but I think they are running a negotiation to test that and given that eight months ago we were talking about bloody nose strikes on North Korean nuclear facilities, I'd actually argue that for the Trump administration being on a diplomatic track is a valuable thing versus some of the alternatives. I would also say that I was in Seoul on a panel in the May-June timeframe, it was right – it was a day before the summit, in fact, with a set of senior Chinese academic-slash-government advisers, and they were palpably anxious about the fact that the United States was making the political weather on the Korean Peninsula. It was not China driving the situation on the Peninsula. The Chinese were visibly concerned that the U.S. and North Korea would do some kind of deal to China's detriment, right? So that's an interesting dynamic when you just think about who, you know, who has strategic initiative in Northeast Asia today. And to the extent the United States and our allies have it, that's not a bad thing. But again I'm still a skeptic. I'd be happy to come back next year and see where the negotiation track is.

Tatsumi: I guess we've got a theme for next year's seminar.

Twining: We've got the next round already. I would just like to say a couple things more broadly on Kuni's, I mean, very thoughtful and eloquent presentation around kind of the transformation of the security structure in Northeast Asia. Looking ahead from 2018, I think the U.S. system including the Trump administration understands the U.S. cannot be locked out of Asia, that this is the emerging hub of the global economy, that we actually have more equities and interests in this region than we ever have before. Our problem in Asia once upon a time was Japanese strength. That is no longer our problem. We then had a problem around the weakness of our allies and concern about Soviet predation. That is not a problem. Today really the scenario is that we are engaged in a great power competition with China, and the dynamics around that competition require us to do more in Asia, not less, not to withdraw over the horizon, not to

retreat economically, not to retreat diplomatically, but actually to do the opposite, right? And because the geography of that competition favors China, at least in littoral Asia, to me that means the U.S. has to double down on its core relationships with Japan, with Korea, with our other allies, including Australia, with India and emerging partners, right? So I actually think there is quite a lot of consensus in the United States to do more in Asia, not less, not to retreat. And, gosh, if you look for an issue that has full-blooded political support in the Congress, it would be the U.S.-Japan alliance. So I don't see the political foundation for a crack up of the U.S. alliance system at all in this country. This is utterly non-controversial. What's controversial is the question of how do we manage this very complicated relationship with a very increasingly powerful China? And again – we can talk more about this and I'll stop – but there is a lot of concern across the Western world, not just in the United States, around China's mercenary and predatory trade and economic practices, around the nature of its foreign investments and the fact that there is not reciprocity, around the nature and quality and scale of China's influence operations, in so many democracies, including places like Australia, right, including the United States. The U.S. Justice Department just yesterday, or just today, is declaring as foreign agents several prominent Chinese news outlets, including Xinhua, as agents of influence of a foreign government. We're in totally different terrain. And again I think sort of you have a national security strategy out of the Trump administration that argues that great power competition is what is driving American engagement in the world today, and that gives our friends and allies a lot to work with as we try to negotiate this U.S.-China bilateral relationship.

Tatsumi: Thank you both. I think we have a lot to chew on here so I'm just going to go ahead and open up the floor to the questions. And if you can wait until the microphone gets to you, we are – this is public, so we are trying to record this and transcribe it. Rust.

Rust Deming: Thank you. Rust Deming, SAIS. Kuni, great to see you and I always enjoy – I agree very much that we are in a major shift here and decoupling is a major issue, how we handle it. I'd like to broaden out a little bit to sort of Japan's relations with other key players, particularly Russia. What's going on there? I mean, Putin, the last week or two, suggested a peace treaty – “we'll worry about the territorial issues later on.” And I was quite surprised by sort of the couple of little – the muted Japanese reaction.

Miyake: Pardon?

Deming: Muted. Prime Minister Abe is saying, “Well, that shows how serious he is about improving relations with Japan.” Of course, Mr. Kono has been a little more outspoken. But Mr. Abe has been pursuing that – I don't know how many summits have been, you know, more than 10, 15 between Mr. Putin and Mr. Abe over the last five, six years. What's going on? Anything, any prospects there at all? And how does this play into Japan's broader strategic framework?

Miyake: Hmm. That news, that remark by Mr. Putin, that “let's conclude a peace treaty without any precondition by the end of this year,” some people might have been taken by surprise. But those who have been following the bilateral relations with Russia for many years: “Oh, Russia hasn't changed.” Okay, that's exactly what Mr. Putin has been saying over the past several years. Although he agreed with Mr. Mori a long time ago, 2001, that there should be a solution to the territorial issues before signing a peace treaty. But sometime in the past, the recent past, he

changed his mind. So now he he's been trying to separate the issue of solving the territorial issues and signing the peace treaty, so that's exactly what he said again. And so for – Mr. Abe was muted, or he must have – might have been a little bit criticized for being so quiet, or being silent and without rebutting to Mr. Putin's remark publicly on the spot. But if I were Mr. Abe I would – I would keep silent because we're still negotiating with them and we know, he knows what Mr. Putin has in mind. But the rebutting doesn't mean a thing because he won't change his mind. So to me, it wasn't just one of the episodes – many, many episodes in the long, long negotiation with the Russians for more than decades. What is important, as far as I'm concerned, about having a dialogue with Russians, is not always to completely succeed in regaining all the territories back to us. But at least we have to stop the – what you call, what you call it in English – limitations? I forgot the word.

Tatsumi: What word?

Miyake: *Jikou*.²

Tatsumi: Oh, expiration?

Miyake: You see, there's illegal occupation but it takes – it's the – with the passing of the time, and then they will have – get the right of title.

Tatsumi: Fait accompli?

Miyake: Not fait accompli. Erosion of whatever? Something of limitations. Anyway, so we have to stop it. We have to keep reminding the Russians that they are – their occupation is illegal, it should be solved before signing the treaty. So in order to do that we have to continue discussing with them, talking to them. So that's why probably there is a rationale for the dialogue, but we are not naïve, to believe or to be optimistic, but I think that's exactly what's happening. But its timing was just before the presidential election of the LDP so that's why some people just try to make a fuss out of it.

Tatsumi: Just to get insight, and I would like to get Dan's thought on it, because when we talk about our great power competition, it's China in Asia, but it's very much Russia also. And how does this kind of, you know, Putin extending olive branch to all the key allies about – even if it's a decade-old tactic – how does that look from Washington?

Twining: So if anyone here can enlighten us I would love to be enlightened. I don't understand Russian grand strategy under Putin. They have the world's potentially most powerful country in their backyard encroaching on their strategic space in every way, yet Russian strategy seems to focus on three elements. One is extension of military influence in the Middle East, including getting highly involved – getting highly involved in this very messy war in Syria, which, by the way, has produced more refugees than any other crisis since World War II. Why does Russia want to be a part of this? So why is it spending all this military, all these resources and diplomatic assets on fighting in the Middle East? That's one conundrum. Second is – I was just in Ukraine and Georgia last week. Russia is under taking a full-scale assault on democracy in

² Statute of limitations

Ukraine, while it tries to divide and polarize and continue to subjugate Georgia. This is actually an expensive proposition: Russia is fighting a hot war, Russian assets are fighting a war in eastern Ukraine, Russia is engaged in a very sophisticated information assault on democratic institutions in Ukraine, and Russia is devoting extensive resources to a – essentially a fake news campaign across the Western world about what is happening in Ukraine. The third – so that's the second conundrum, is why is Russia trying to rebuild its empire in this way? The third is Russia's direct assaults on the United States, really. You know, the institution I run was subject to a very sophisticated attack by Russian military intelligence only a few weeks ago. I'm afraid it made the front page of The Wall Street Journal and The Washington Post, along with attacks on the Hudson Institute and the U.S. Senate. These things these cost a lot of money and take a lot of time and resources. Why are they doing this? Why aren't they more – why are they doing military exercises with China and selling China the most sophisticated elements in Russia's very sophisticated military arsenal? There's – there seems to be no restrictions – there used to be, but there are no longer any restrictions on the military assets Russia will sell to China, presumably for hard currency. There is an extensive energy trade that is growing between these countries. I just find it a conundrum why Putin is not more concerned with the balance of power in Asia. Most of Russia sits in Asia, most of Russia doesn't sit in Europe. Why is he trying to reconstitute the Russian Empire in Europe and the Middle East and attack the United States?

Tatsumi: That's an interesting thought.

Miyake: They are afraid of China.

Twining: They're not acting like it.

Tatsumi: Gil – wait for the mic.

Gilbert Rozman: Gil Rozman, the Asan Forum. I don't know if this session should turn into a deep discussion of Russia this way. There are other occasions in Washington, for instance a day-long session on Monday where this will be the big topic. I, however, am not thinking it's a conundrum. I think it's been predictable for many years and that I'm surprised that people are surprised by it, because I think the development of Russian policy, and I've written on this repeatedly, is understandable, driven by national identity and a different sense of national interests than what is indicated. But I want to come back to the Japan side of it, because reading Japanese discussions of Russia and even now the effort to put a positive light on the meeting at the Eastern Economic Forum, where I think Abe should have been terribly embarrassed by what Putin did – Abe was the guest there, he pledged to go every year to Vladivostok, and then he's given this offer by Putin which was intended only to say, "You've been misleading everybody in Japan, there's no possibility of any deal on the islands. Now come to your senses and deal with us and we're giving you nothing." Meanwhile it's in the shadow of the Sino-Russian military ties, the buildup of the Sino-Russian relationship, which is really I think Abe's main goal in trying to get improved ties with Russia, and the Russian defiance on sanctions in North Korea. So why is the Japan debate so out of touch with the real Russia and so willing to give Russia the benefit of the doubt? Isn't this a sort of desperation in Japan for an outcome that seems highly unlikely, and hasn't this been a number of years given the tensions between Obama and Abe over Putin in 2014 to 2016? Can you enlighten us on that? What's going on in Japan with this

faith in Russia, and as if 2+2 talks between the military and defense and the foreign secretaries actually lead to any improved understanding and cooperation when Russia's building up its military around Japan and trying to force Japan to re – change and build up its military in the north, rather than the southwest? That's my understanding.

Miyake: Well, thank you, sir. Please make no mistakes, we are not naïve, as you said. We know exactly what the Russians are. Since before the revolution, we know them, because they are our neighbors as well. And I do not challenge your argument, because they are bad, to be honest, but that is not the only issue. At least the Europeans don't feel that way. But we have two different kinds of adversaries, instead of one. If you are located in Western Europe or in Eastern Europe you have only one country to be worried about, but we have two. And unfortunately they are all neighbors of ours. And you cannot have two. One at a time. That's my strategy. So I'm not advising Mr. Abe at all, but you cannot have two at the same time. And as far as Russia is concerned, they are not trustworthy, but at the same time as I said – and I remember now the word I forgot, statute of limitations. Okay. So we have to continue talking to them and of course it takes time. May not be successful, but by talking and keeping the possibility of some kind of solution in the future, still honorable, just – but realistic solution of the issue for the future. I think there's a great rationale for talking to the Russians but at the same time as you mentioned, we know what the Russians are and we will never forget that. But we know how to deal with them as well. But having said that we cannot have two at the time. One at a time. That's my solution and my strategy.

Tatsumi: Andrew.

Andrew Oros: Thank you. Hi, I'm Andrew Oros from Washington College. I wonder if I could be a little bit of a *itazurakko*³ and cause some debate between the panelists, because in my own personal view it seems to me, Kuni, that your characterization of how badly Trump has damaged the system in East Asia is too negative. But, Mr. Twining, it seems to me also that you're downplaying any of the serious damage that the Trump policy may be causing in Asia. And it may turn out – I mean, this is an evolving situation – so it may turn out that some of his gambles pay off or bets are calculated, strategy pays off. But right now it's a little unclear, and so I just wonder whether either of you would be willing to sort of take on, I guess, the other on some specific aspects of where it seems that Kuni's negative characterization is pretty negative or, Kuni, how Dan's characterization is very positive.

Miyake: There is no discrepancy between the two.

Oros: Really? It seems to me a very, very wide discrepancy.

Tatsumi: I guess he's trying to get you two disagree.

Miyake: You see, what I'm saying is something Dan Twining cannot say here in Washington. Period.

Tatsumi: He's not – Dan is neither confirming nor denying.

³ Rascal

Twining: No, but I'm happy to – I mean, if you would like my critique of U.S.-Asia strategy today, I would say we do not have a strategic approach to economic engagement in Asia, which TPP was. We are underplaying the soft power side of American leadership in Asia which includes not just economic engagement but all forms of support for democratic institutions, regional summitry, exchanges, all of that, right, the toolkit of influence. You know, most of America's power, our hard power, is not usable in Asia in a scenario short of war. There is always a deterrence effect. But day-to-day dynamics all involved diplomacy, development, democracy, all forms of engagement short of conflict. And I think we are just under playing our hand in that regard, and one reason China has managed to make the strategic gains it has in the region is because they do have a very sophisticated understanding of the broader toolkit of influence and are deploying it, from the Belt and Road, to Confucius Institutes, to all the exchanges that go on. Every Asian elite I meet seems to have recently been to Hainan Island on an exchange paid for by China, right? I mean we used to know how to do these things. During the Cold War, we had Fulbright and the Peace Corps and broadcasting, so I don't think we're actually bad at it. We're a bit out of practice in terms of our engagement. But of course the business – so much of the business of Asia is business, and I think a lot of our friends and partners and allies would just like some more coherent understanding of our approach to trade and foreign investment in this region. And when I've tried to get that out of our friends in the administration, what comes back is, you know, a pretty sophisticated conversation about the U.S.-China trade and investment dynamic and how the Trump administration is working to right the balance. But I'm interested in the rest of Asia, right? What is our plan for some kind of U.S.-Japan FTA embedded in TPP, if we can't do that? What is our plan for engaging 600 million consumers in ASEAN, beyond what we are already doing? How can we build out the economic relationship with India so that we don't simply have a defense-centric, a military-centric relationship with the world's biggest democracy, right? Which is – by the way, will have as many consumers as China in a year quite soon. So I would love to see the strategy filled out. The administration has declared an Indo-Pacific strategy, right? And I think there is a lot of content that they need to give it.

Miyake: Additional connotation. If you hear me right, you know that I've been trying to distinguish Mr. Trump from the rest of Washington, D.C., okay, and Mr. Twining represents the rest of them, Washington, D.C. But I'm focused on the specific personality, okay? Then – but the next – my serious question is, is he exceptional or is he just the beginning? This is another worry of mine. If this kind of phenomena continues – with the great wisdom of Dan's and others – if he's not exceptional and if he's just a beginning, then that paves the way for the scary scenario, as well. I hope I'm wrong.

Tatsumi: So, Dan, Kuni just mentioned about a potentially scary scenario, but you also mentioned in your initial remarks about midterms are often for course correction. You touched upon one of those course correction might be to try to recreate, perhaps, a foreign policy consensus about U.S. engagement in Asia. What other course correction in the area of foreign policy that you would like to see in an ideal world?

Twining: I mean, my first job in Washington was at USTR, so I keep circling back to trade. I remember when the U.S. Congress voted to give President Obama trade promotion authority to

conclude the TPP negotiations, and I remember that between 90 and 95 percent of Democrats in Congress voted against TPA, that's a fact, right? So his own party voted against him during the Obama years. He was able to complete the negotiation. One reason it never came to a vote is that the Democratic nominee for president, Hillary Clinton, said she was opposed to TPP, as were 90 to 95 percent of Democrats in the Congress. My sense is that their view has evolved, partly because if Trump is against it, many of them now are for it. This dynamic is also at play in Russia policy where my Democratic friends have become great Russia hawks after defending the Obama reset with Russia for eight years. So perhaps the dynamic on trade has changed, perhaps there is much more acute awareness among Democrats of the full spectrum challenge China poses to American influence and leadership. And that will cause some of them to reconsider their views on trade. Let's see. I, you know, I think that's to be determined. I think you will see if Democrats take the Congress or the House, at least, you will see less pressure on the foreign assistance budgets. Now, I should say that funding kind of the foreign aid bill by and large – actually funding has been quite strong. The White House will send forward budgets proposing a 30 to 40 percent cut to State Department operations or foreign assistance and the Congress under Republican leadership has not wanted to commit on that and in fact has plussed up a number of those accounts. I do think Democrats probably would be perhaps even more generous and when we think about again the toolkit of American engagement, that foreign assistance budget is important, and if we can use it more strategically that would actually be valuable. So two things to watch.

Tatsumi: Thanks Dan. Okay, we are open to other questions, so – if you could wait for the microphone.

Anthony Volk: Hi, my name is Anthony Volk and I work for the Institute for State Effectiveness. And my question actually was more about Japanese domestic politics. So about, what, a year ago, the Aso faction merged with two other smaller factions and formed a larger one, larger than, if I remember correctly, Abe faction or the one he's a member of. Do you see in the next few years any sort of challenges to Abe's leadership especially if there's another scandal similar to the Moritomo Gakuen scandal and the, you know, accompanying failed vote of no-confidence? And if that were to happen, if you've seen any sort of policy changes for Japan over the next few years?

Tatsumi: I guess that kind of leads me to the question that many of them have not been asking, because Mr. Abe has been in the office for so long. What happens post-Abe in political leadership in Japan?

Miyake: Hmm, I'm not the right person to ask, but –

Tatsumi: I'm just asking for your personal view.

Miyake: First of all, the LDP internal politics has changed. LDP used to be a coalition government, coalition party, coalition of several mini conservative parties. When the electoral system was – the district was larger, then you have multiple seats in one district and you can have several factions inside the LDP, or those mini factions – faction that the mini party, conservative parties, made a coalition – that's the LDP. That was before the 1990s but now it's

basically the single-seat district system has completely changed the domestic, the internal politics of LDP. So now the president is so powerful because he has a right to endorse a candidate, and it's not a coalition government anymore, coalition party anymore. It is a one party. So the factions' role have changed as well. Unfortunately, that's a reality. So having said that, Mr. Abe will be elected for the third term, but it doesn't mean that he would be there until 2020-something. Anything can happen, because this is not a presidential system, it's a parliamentary system, so anything could happen. And although I'm a great supporter of Mr. Abe, but to see the situation objectively, people – Japanese always want something new, okay? Even the government. So we used to change the government every year, but that was too fast, okay? But five years is long, six years is long, and long enough maybe sometimes. So people are tired, to be honest. It doesn't mean that they will – they can change the government, but we have to keep in mind it all depends on the popular sort of voices. And still he's supported. Partly because – not simply because – not only because he's strong, but also he doesn't have challengers. The opposition is so weak and there are no potential challenges inside the LDP. So as long as those people are weak, he could he could stay in power for a while. But it could happen any moment when he will face a difficulty.

Tatsumi: You'll have the last question.

Liu Senhao: Thank you very much for this great panel. I'm a reporter from Hong Kong Phoenix TV. I just have a very brief question. So Prime Minister Abe is planning to visit China possibly next month. What do you expect from that meeting and how would you say the relationship between the two countries would go from that point?

Miyake: I was posted in Beijing for a while and I have prepared so many visits like this and my conclusion is very simple. As long as you have a meeting, as long as there's a visit, it's a success by itself, okay? Because if it's not successful, there will be no visit and no meeting. That's what the sort of criteria of success by the Chinese standard. So they invited the Japanese Prime Minister, it means it's a success, there will be no failure. There shouldn't be any failure once they invite us. So that means that if Mr. Abe goes there, it's okay. It's okay. And is there any substantive achievement? Hopefully. But that's not the issue. The issue is the visit takes place without any sort of disturbances or difficulties. That itself is important, and of course that would send the right signal to the business community, I believe, and that's exactly what the Chinese want. See, and I told my Chinese visitor yesterday or the day before yesterday, that he asked me how good the Japan-China relations, and as long as you have a bad relationship with the United States, the Japan-China relations will be alright. And then that's exactly what's happening. And they need probably us, as we need them, especially they need us when they face economic or political difficulties with the United States. It's a very simple game. It may change again, so they may stop inviting us, and that's another aspect of life and relationship with China.

Liu: So in what areas would you foresee that the two leaders may, you know, make some kind of results possibly from this meeting?

Miyake: There will be no strategic success, because we have a strategic problem with China. But there could be some tactical achievements, improvements, maybe hotline, more close dialogue, exchange of information, but it's all tactical and could be tentative. I hope not. Hope it

should be permanent – hope it will be permanent but it depends on the political situation, so I'm not naïve either. But as far as the current Japan-China relations are concerned they are very, very, very good, and I hope it will continue.

Tatsumi: Any reaction to that, Dan? Obviously we have very –

Twining: I'd be curious if North Korea comes up and what that conversation looks like and whether there is any alignment of interests between Beijing and Tokyo on North Korea, or whether in fact they are diametrically opposed. Is China still approaching Kim Jong-un as a client? Does China still have as an overriding goal to diminish any foreign influence on the Korean Peninsula, or in fact has the very different dynamic on the peninsula this year created some diplomatic space for great power cooperation in Asia? You know, I worked in the Bush administration on the Six-Party Talks and that was our idea at the time, was that there was space for great power cooperation in Asia around the North Korea question. Turns out it wasn't true then, but is it true now?

Miyake: Well, although China is not happy with the nuclear-armed North Korea, but still they have to defend North Korea as an entity there. I don't want – I don't think Chinese want North Korea to collapse because if it happened, there will be a free, democratic, market-oriented, potentially anti-Chinese, U.S. forces stationed in, nuclear-capable, unified Korean state bordering directly with China, where they have at least 2 million Korean-Chinese. That's a nightmare for the Chinese government.

Tatsumi: Very interesting. I think I already have a theme for either later this year's seminar or the next year's seminar by listening to your conversations. So to be – so stay tuned. But again, thank you again for joining us despite Yom Kippur holiday. And if you can join me in thanking Mr. Miyake and Mr. Twining. Thank you for the wonderful conversations and thank you for coming.

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