



# TRILATERAL ROK-JAPAN-U.S. POLICY FORUM

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THE INTERNATIONAL POLICY STUDIES INSTITUTE OF KOREA (IPSIKOR),  
THE JAPAN INSTITUTE OF INTERNATIONAL AFFAIRS (JIIA)  
AND THE NATIONAL COMMITTEE ON AMERICAN FOREIGN POLICY (NCAFP)**

**APRIL 18-19, 2006**

**CONFERENCE REPORT  
BY DONALD S. ZAGORIA**

The National Committee on American Foreign Policy (NCAFP), in cooperation with the Japan Institute of International Affairs (JIIA) and the International Policy Studies Institute of Korea (IPSIKOR), co-hosted a meeting of security specialists from the United States and its two Northeast Asian allies, Japan and South Korea (Republic of Korea/ROK), on April 19, 2006 in Seoul, Korea. There were current and former government officials, as well as academics, in attendance. (See the Appendix for a list of the participants.)

This was the third such meeting in the past two years. Two earlier meetings were held in Tokyo and New York, respectively.

The purpose of these trilateral meetings is to provide an opportunity for policy analysts, officials and former officials from the three countries to engage in frank and forthright dialogue out of the media spotlight, to talk about longer-range issues as well as current challenges, and to chart a common long-range strategy for dealing with security challenges. This meeting concentrated on four topics: U.S.-ROK relations; U.S.-Japan relations; the Taiwan problem; and the North Korea nuclear issue.

The summary which follows draws upon: the discussion at the meeting in Seoul and three papers distributed at the meeting – one written for the conference by Prof. Kim Sung-han; second, a recent lecture at Claremont McKenna College by Dr. Han Sung-Joo; and third, a recent lecture at the University of Shimane by Prof. Robert A. Scalapino.

## **U.S.-ROK RELATIONS**

A Korean participant offered the following optimistic assessment. The future of the South Korean-U.S. alliance is not as gloomy as some analysts suggest. First, the ROK government is taking a more understanding and cooperative position regarding such issues as the “strategic flexibility” of U.S. forces in Korea—a realignment that the U.S. military regards as critical. Strategic flexibility is a euphemism for possible use of U.S. forces in Korea for contingencies elsewhere. Second, South Korea and the United States

have agreed to enter into full negotiations in June 2006 for the purposes of concluding a Free Trade Agreement. Third, the United States has begun to show a positive attitude toward the negotiation of returning war-time command and control of the Korean armed forces to Korea even as the United States continues to keep troops in Korea. Finally, the ROK has joined the United States in attaching great importance to the problem of counterfeiting of the U.S. dollar by North Korea, an issue that the United States regards as critical.

Moreover, there are good reasons why the ROK and the United States both want to maintain the alliance. For the United States, the partnership helps preserve a favorable balance of power among the major powers in the region and helps to deter North Korean adventurism. It is also a critical factor in helping to defend Japan and is consistent with U.S. economic interests in the ROK and the region as a whole. For the ROK, the alliance helps to deter a North Korean million-man army and a regime wielding absolute power and makes the South Korean security situation less vulnerable. In addition, it enables South Korea to get support in securing advanced arms, strategy and intelligence, and promotes the ROK's own position vis-à-vis its powerful neighbors.

There remain, however, issues of potential strain in the alliance. The two allies differ over the proper strategy for dealing with North Korea. The United States believes that any successful strategy must combine sticks and carrots, while South Korea is inclined to think that any use of sticks will be counter-productive. Furthermore, the United States is dubious about North Korea's right to peaceful nuclear energy; and, the U.S. favors a tougher stance in dealing with the human rights issue in North Korea.

Despite these differences, the two allies have been patient with each other and have tried to narrow the policy gap. The South Korean government has been cooperative with the United States on a range of issues including the dispatch of troops to Iraq, "strategic flexibility," and its response on the counterfeiting of U.S. currency. The United States, for its part, has understood the irony of the Korean government, that in order to neutralize anti-American sentiments in South Korea, the Korean government has had to resort to rhetoric that is more assertive than it actually is.

Above all, both governments recognize that, despite their differences, it is in their mutual interest to continue their alliance.

An American participant agreed with this optimistic assessment of the U.S.-ROK alliance. He said that the alliance remains on reasonably firm ground despite the fact that there has been a growth of anti-Americanism, especially among the younger generation. But, policy differences over North Korea have complicated the relationship. However, the two recent ROK Presidents, Kim Dae-jung and Roh Moo-hyun, have both pursued Korean security through time-honored paths of seeking both good relations with neighbors, as well as an alliance with an external power.

Another American participant agreed that the U.S.-ROK alliance is in better shape than it appears to many outside observers. There is less divergence on the North Korean

issue than there was three months ago. However, he added, there is still a need to narrow the gap over the proper balance between carrots and sticks for North Korea.

## **U.S.-JAPAN RELATIONS**

An American participant said that the U.S.-Japan relationship is, on the whole, very good and in some respects never better. The immediate problems, such as the repositioning of the U.S. forces in Okinawa, are manageable. Military to military relations have never been better. Japan provided some US\$13 billion to support the Gulf War and this time they have also dispatched some logistics forces to Iraq, thus demonstrating that Japan understands the need to show the United States that it is a good ally. Economic relations between the two allies are also positive and the focus of U.S. attention has now shifted to China. Moreover, there is a new enthusiasm in U.S. business circles about the revived Japanese economy.

Nevertheless, two key challenges remain. The first is to properly coordinate the respective roles of the two alliances in their joint contribution to security and peace. The danger is an unrealistic U.S. expectation about Japan's security role at a time when domestic constraints on Japan's military policy remain substantial. It seems likely that there will be a modest revision of Article Nine in the Japanese Constitution. But, Japan will continue to behave cautiously in security matters.

The second challenge, continued the American participant, will be to coordinate policy towards China. Japanese Prime Minister Junichiro Koizumi is focused on maintaining the alliance with the United States but he has no real strategy for dealing with China. The danger is that the next Prime Minister may focus more on the China threat and this could draw the United States into a territorial dispute between China and Japan.

Another American participant agreed that Japan's relationship with the United States remains strongly positive. Cooperation on the security front is growing and old issues such as the extensive U.S. presence in Okinawa are being reduced if not resolved. As the United States undertakes a new strategic policy with an emphasis on modern weaponry, rapid deployment, a reduction of bases abroad, and overseas troops having a greater dependence upon alliances to keep facilities operational, support for an expanded Japanese security role is natural. Moreover, on the economic front, the old issues of unfair Japanese competition and extensive Japanese protectionism, especially in the agricultural sphere, while not wholly resolved, have been significantly reduced. Today, American concern is chiefly over the question of whether Japan can carry out the reforms required to keep it competitive.

In sum, this analyst concluded, the relationship between the United States and Japan is the strongest relationship in Northeast Asia.

A Japanese participant argued that geography is the key to the U.S.-Japan alliance and that it is essential for an island nation such as Japan to maintain an alliance with a strong

maritime power such as the United States. Japan is dependent on the U.S. for importing energy and controlling the sea lanes of communication. Additionally, the United States and Japan share common values such as democracy and free markets. Both nations, he said, should enhance their people-to-people exchange programs and increase their cooperation on intelligence sharing.

## **THE NORTH KOREAN NUCLEAR ISSUE**

A Korean participant said that, despite the September 19, 2005 agreement on principles regarding the resolution of the North Korean nuclear weapons program, the second North Korean nuclear crisis is far from being resolved. The six parties (the U.S., China, North Korea, South Korea, Japan and Russia) signed a joint statement in September 2005 in which North Korea, in principle, agreed to “abandon” its nuclear program in return for security assistance and economic assistance. However, the “agreement” was long on principles and short on specifics such as timing of implementation, what nuclear programs were to be abandoned, and what North Korea (Democratic People’s Republic of Korea/DPRK) would get in return. Nothing has happened since then toward resolving the issue. In fact, the Six-Party Talks have not resumed. Moreover, North Korea keeps making a variety of excuses for not returning to the negotiating table; it cites the U.S. accusation of North Korean counterfeiting, joint U.S.-ROK military exercises, and remarks by U.S. officials on the DPRK’s human rights situation as signs that the U.S. is trying to bring about regime change in North Korea.

The basic question remains. Will North Korea give up its nuclear weapons and nuclear program? Or, are all these moves intended to buy time and transfer the blame for failing to achieve an agreement to the United States? Some believe that the North aims to bargain its nuclear program away. Others, however, wonder if Pyongyang is using negotiation simply to buy time to further its weapons development program.

Energy is emerging as a particularly critical element in resolving the North Korean nuclear issue. First, North Korea wants to be supplied with energy in return for abandoning its nuclear weapons and nuclear program. Second, North Korea insists on its right to “peaceful use of nuclear energy.” Third, as part of its right to peaceful nuclear energy, Pyongyang wants to be supplied with light water reactors, as agreed upon in the Geneva Agreed Framework of 1994. On the first condition, South Korea has already offered to supply North Korea with two million megawatts of electricity provided that North Korea abandons its nuclear weapons program. North Korea wants the right for the “peaceful use of nuclear energy” not only because of its energy needs but probably because it wants to retain the option of developing nuclear weapons. A creative way should be found, said the Korean participant, to deal with this issue in order to satisfy North Korea’s security and energy needs while allaying legitimate fears and concerns that North Korea will end up with the nuclear option.

All in all, the Korean participant concluded, future negotiations are not likely to be either easy or short, despite optimistic expectations to the contrary as expressed by many observers.

An American participant agreed with this bleak assessment. There can be little doubt, he said, that the North has been pursuing its nuclear weapons program both because of a genuine fear of an American attack and because it represents the only bargaining chip available in negotiations with the external world. The Six-Party Talks, currently in abeyance, clearly signal the key issues, namely, verification and timing. The U.S. has demanded in-depth verification of the North's abandonment of its nuclear weapons program, citing past evidence of cheating after the 1994 Agreed Framework whereby the DPRK agreed to abandon its nuclear program in exchange for the construction of a light water nuclear energy facility by external nations. The other issue relates to the sequence of actions. While the North has insisted upon concessions simultaneous with its actions, the U.S. had demanded initial, verified North Korean actions prior to various economic and political responses. The North has also insisted upon a bilateral DPRK-U.S. treaty pledging non-aggression and, more recently, it has demanded the right to construct a nuclear facility for energy purposes. Meanwhile, the U.S. has charged the North with counterfeiting U.S. currency and drug smuggling, and continues to apply economic sanctions.

None of these issues are easy to resolve, especially given the complete lack of trust between the key players. Nonetheless, conflict seems unlikely. For the North, to opt for war would be suicidal. Given the costly U.S. participation in recent conflicts, including Iraq, American policy will certainly seek to avoid war, as pledged. Moreover, the attitude of the South Korean government and its people provides a further deterrent to any American use of force. Thus, it seems probable that sporadic negotiations will continue, both at the bilateral and multilateral levels.

A Korean participant said there is debate in South Korea on four issues: 1. The counterfeiting issue; 2. Whether the North would return to the negotiating table; 3. China's role; and 4. South Korea's strategic choices. On the counterfeiting issue, most agree that U.S. financial sanctions are having a very serious impact on the North Korean regime. But it is not clear if the North will be compelled to give up its nuclear program. On whether North Korea will return to the negotiating table while the Bush Administration is still in power, there are differing views. There are also differing views on China's role. Some observers noted that China maintains a low profile on the counterfeiting issue and it did not publicly denounce the United States. Finally, on the issue of the ROK's strategic choices, he thought that South Korea is currently walking a tightrope between appeasing domestic pressures for accommodation with the North while maintaining an appropriate distance from the North.

The Korean participant concluded by saying that only a consensus among the six parties could encourage North Korea to dismantle its nuclear program.

In response to questions about U.S. strategy for dealing with North Korea, an American participant said that the Six-Party Framework has had a restraining effect on the North. The Six-Party Talks enables all the key players to consult, pass messages and

keep the problem within certain bounds, all while reassuring the North of a certain degree of security.

## **THE TAIWAN ISSUE**

An American participant who had just returned from Beijing and Taipei with an NCAFP group argued that the cross-Strait relationship is very stable and likely to remain so. Over the long run, he said, things could change for the worse. But in the short and medium term, the potential for stability is quite high.

First, all three sides – Washington, Beijing and Taipei – are satisfied and will seek to maintain the status quo. China thinks time is on its side, there are extensive economic interactions with Taiwan, the political situation favors the opposition Kuomintang (KMT), Taiwan President Chen Shui-bian's popularity rating is down to 20%, and the Bush Administration is acting as a restraint on President Chen. Moreover, if China was to pursue a more aggressive approach towards Taiwan, it would have to do so at the risk of paying large economic and diplomatic costs. Finally, China needs to focus on its huge domestic, political and social challenges and therefore needs a calm international environment.

In Taiwan, the status quo enjoys overwhelming support from the vast majority of the population. The Taiwanese have de facto independence and do not see the need to risk a conflict with the Mainland in the pursuit of de jure independence. Moreover, the Taiwanese public is by now fully aware of the U.S. position on this issue and the United States is playing an increasingly important role.

The United States, for its part, is content with a status quo, which allows it to have good relations with both Taiwan and China. Moreover, the Bush Administration is preoccupied with the Middle East; President Bush's poll numbers are down; and it is not in the U.S. interest to have tension in the Taiwan Strait.

The speaker went on to outline the strategies of the three sides. China is self-confident and patient. Its only true "red line" is de jure independence. Chinese President Hu Jintao's policy is a combination of a hard and soft line. The hard line is harder than that of previous President Jiang Zemin's and the soft line is softer. The hard line is to continue the military buildup, squeeze Taiwan's international space, and isolate President Chen. The soft line is to court President Chen's opposition and make targeted concessions to a number of the Democratic Progressive Party (DPP) constituencies, such as farmers and doctors. China, meanwhile, will not react provocatively to President Chen's initiatives. Its mild response to the cessation of the National Unification Council is a case in point. China has also given up any real timetable on unification and has also begun to drop its controversial formula of "one China, two systems," a formula which has few takers in Taiwan.

In Taiwan, it is possible that a desperate Chen could upset the status quo but Chen's party, the DPP, needs a centrist position if it is to have any hope of winning the next

legislative and presidential elections. Moreover, even if Chen tries to provoke the mainland, China probably would not take the bait. Chen's advisors told us that the "four no's" – which are tantamount to a pledge not to declare independence – are still in place. Chen could make trouble by trying to change Taiwan's constitution but it will be difficult to do this with a legislature controlled by the opposition.

U.S. policy is to strongly deter both sides from upsetting the status quo. The Bush Administration has both publicly and privately sought to rein in President Chen and has told China that its soft line is much more successful than its hard one. Thus, the basic policy of seven previous U.S. presidents – to maintain the status quo – is likely to continue.

In the short term, between now and the presidential elections in 2008, China will not rock the boat with Taiwan. However, Beijing will not be very flexible either because it does not want to give President Chen any room to maneuver. Chen will probably be restrained and the DPP is likely to move to the center. Mayor Ma Ying-jeou, the presumed KMT candidate, is also moving to the center. Ma has already distanced himself somewhat from former KMT leader, Lien Chan, who appears to many in Taiwan as being too "soft" on China. Accordingly, Ma seeks to stake out the middle ground between President Chen and Lien Chan. In doing so, he will appeal to the younger generation of Taiwanese who are more moderate than their elders.

After the presidential elections in 2008, the problem could worsen if Chinese and Taiwanese nationalism are both on the rise and China continues its military buildup. Ma is likely to win the presidency and exploit the widespread yearning for consolidating the status quo. In this context, there is likely to be an increase in economic relations and a renewal of the official political dialogue on the basis of the "one China, different interpretations" formula. This will not be nirvana but increased economic interaction and renewed political dialogue should help stabilize the situation.

A Japanese participant agreed that we may be approaching a workable *modus vivendi* between China and Taiwan based on a *de facto* interim agreement. Taiwan would refrain from moving towards *de jure* independence and China would refrain from using force. Developments are moving in this direction.

Yet the Japanese participant wondered whether Taiwan would not become part of the U.S. "hedging" strategy towards the Mainland. In this case, preventing war in the Taiwan Strait would not be the only U.S. goal, he said, rather the United States would want to keep Taiwan on its side.

In the discussion that followed, there was an interesting dialogue between two Japanese military participants, one of whom was pessimistic about the military trends in the Taiwan Strait and a second who was more optimistic. The pessimist argued that time was on China's side. The optimist argued that Taiwan's military was qualitatively superior to China's and though this might change in ten years, this unfavorable trend could be delayed if Japan and the United States were to help Taiwan. He argued that the

Chinese are simply not investing enough to modernize their military to a point where it could prevail in a conflict in the Taiwan Strait.

In the concluding discussion, an American participant, responding to a question as to whether the U.S. could live with a Taiwan unified with the Mainland, said the answer was “yes” so long as the decision was made peacefully and reflected the will of the Taiwan people. But, he said, this was highly unlikely until the Chinese political scene was dramatically transformed.



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**TRILATERAL ROK-JAPAN-U.S. TRACK II POLICY  
FORUM**

**APRIL 18-19, 2006**

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