



Memorandum to: **The Next President of the United States**

From: **The Project 2049 Institute**

Subject: **The Inheritance in Asia and the Challenges and Opportunities for Your Presidency**

It is very likely that events in the Asia-Pacific region – more than any other region – will have the greatest impact on your Presidency for good or for ill during your tenure as President. While your predecessor’s time and attention was dominated by the Middle East and the “global war on terror,” it is now imperative that the United States give due attention to Asia as we look to the future. By almost any objective measure – size of populations, strength of militaries, dynamism of economies, energy consumption, and amount of greenhouse gases emitted – the Asia-Pacific increasingly represents the center of human activity, and we are a permanent resident of this area. Securing and advancing a broad array of national interests in the region, as well as promoting regional stability and prosperity will increasingly require sophisticated policymaking and the active engagement of our senior-most leaders in Washington. You need to set the tone for your entire administration that the United States understands the importance of Asia, and will seek to pro-actively shape its future.

Your “To-Do List” in Asia

Your first priority, at the risk of sounding glib, is to make Asia a priority for the United States. Historically, our engagement and involvement in the region has been episodic at best; but for the last four years in particular, our strategic focus has been diverted to another region. Asian leaders and ordinary citizens alike notice when senior U.S. leaders can’t be bothered to show-up for meetings or make visits. But even worse, our interlocutors in Asia realize when our agenda lacks an appreciation for their various interests, and fails to demonstrate the creative responses Asia’s evolving strategic landscape requires.

Another immediate priority is to make serious, concerted efforts to repair and strengthen our key alliance relationships in the region. The U.S.-Japan, U.S.-ROK, and U.S.-Australia relationships are all on a slight downward trajectory. While the fundamentals in each case remain strong, arresting the current downward trends will require attention and investment on the part of the United States. A strong set of alliance relationships is the key to pursuing virtually every other priority objective in the Asia-Pacific region. To be even more specific, quality alliance management *is* China policy. The way to get China right, is to get East Asia right. And the way to get East Asia right, is to strengthen and modernize U.S. alliances.

Japan, quite simply put, is the most important relationship to the United States in the Asia-Pacific region. This fact should be explicitly stated, and more importantly, should be demonstrated by actions. Despite major progress during the first term of the Bush Administration, you will nonetheless inherit an alliance that is once again in danger of drift. Japanese leaders feel as though we have ignored their core interests as we've pursued diplomacy through the six party talks.

Japan and the United States can boast the two largest economies in the world, the two most generous nations in terms of foreign assistance, two great democracies, and two capable militaries. We should have high expectations for the partnership and the alliance, and continue to ask Japan to move toward full partnership on all matters. While you must be sensitive to Japanese domestic politics and their need to move at a deliberate pace, you should be clear in articulating a U.S. position that we welcome an alliance partner with greater latitude to engage where our shared security interests may be impacted.

Japan is also deserving of our very best military platforms. Her growing security challenges are real and current. Your Administration should place Japan first in the queue for release of the F-22 among other highly capable platforms to ensure Japan has a strong deterrent capability, but also to ensure that Japan can operate alongside the United States in the future when the legal circumstances permit.

The United States has no better friend in the world than Australia. During the first term of the Bush Administration, relations with Canberra reached a new pinnacle. The success was buttressed by very close relations between our respective heads of government, but even more importantly, by consequential initiatives that strengthened our military interoperability and intelligence sharing. There seems to be a pause in momentum, however, with the change of government in Australia. While it certainly true that the Rudd government holds the alliance in high regard, it is also the case that Labor has pursued "course corrections" on several issues that had previously served to form a strong foundation between the governments of Mr. Howard and Mr. Bush (e.g. Australian withdrawal from Iraq; more aggressive positions on climate change). You should stress an interest in promoting an alliance with militaries achieving even greater interoperability, supported by more intensive bilateral and multi-lateral training. You should also continue the good work of the Bush Administration by sustaining the US-Japan-Australia Trilateral Strategic Dialogue, but consider a role for India in a quadrilateral mechanism. While your predecessor began to explore such a mechanism, progress has been halting.

Another priority **driven by strategic imperatives is to review the current state of our relationship with China, and endeavor to develop a sophisticated, sustainable long term strategy for dealing with the emergence of China.** Whether China continues on a path of dramatic rise, experiences catastrophic failure, or somewhere in between is unknowable at this juncture. However, it is undeniable that no matter the precise direction of China's trajectory, outcomes in China will have a profound impact on our interests.

Our bilateral interactions with Beijing’s leaders have exploded in terms of the breadth of our agenda, and the frequency of our senior-level contact. But our engagement of China lacks a strategic framework, and as a result, we have competing and sometimes contradictory objectives at work in our various activities related to China. While the U.S.-China relationship will surely remain a complex one, you must adopt a sober-minded approach to the regional and global challenges China’s rise presents to the United States.

It is essential that the leadership in the United States speaks with clarity about our vision for China, and that our actions match our words. Welcoming a China that is more influential and powerful, and welcoming China’s active participation in regional and global matters in word and deed is critical for making the right kind of impact on Chinese leaders. This should not take away from our message that we will seek to shape the environment, as well as be prepared to deal with China if it chooses an adversarial route. Nor should this divert us from delivering a consistent message on human rights and religious freedom. We should intensify, not weaken efforts to promote human rights and religious freedom in China. As China’s influence grows, the tendency of most countries will be to curtail criticism of China’s internal practices. China is clever in its diplomacy in that it often conveys to interlocutors that “non-interference” in Chinese affairs is the price of admission for a quality relationship with China. However, the best hope for a constructive China in regional and global matters still rests in the hopes of a reformed China.

While we may have opportunities to work with China where our interests are shared, your policies should be firmly rooted in the understanding that Chinese leaders have yet to prove themselves in the international arena as a “responsible stake-holder.” Quite to the contrary, their support for regimes found in such countries as Sudan, Iran, Venezuela, Zimbabwe, and Burma places China not only on the wrong side of history, but raises the prospects for a tense relationship with Washington and other democracies.

We must also have an appreciation for what China faces at home. China’s national leaders are constantly consumed with large challenges. China’s leaders experienced a difficult and challenging summer dealing with Sichuan earthquake relief, Tibet unrest, the Olympic preparations, and Taiwan developments. This only adds to challenges of an already extraordinary magnitude – environmental problems, energy security, wealth disparity between coastal urban China and interior rural China, and rising food and energy prices. With this backdrop, China is nonetheless extending its reach and influence globally driven by a complex mix of objectives.

Among your greatest concerns related to China is the ongoing ambitious nature of China’s military modernization program. As your Department of Defense has observed, China’s modernization efforts extend well-beyond the Taiwan contingency, and they seek to acquire capabilities to account for U.S. involvement in conflict (e.g. China’s recent anti-satellite missile test). You should direct your DoD to review the U.S.-China military

relationship, and recommend ways to structure an agenda that better supports our long term interests and grants us the possibility of genuine risk reduction.

The Bush Administration should be commended for repairing the bilateral relationship with China after the EP-3 incident, and for managing and improving a very complex economic relationship. The relationship has been buttressed over the course of the last seven years by a broadening and deepening of interactions, as well as a perceived improvement in the quality of cooperation. Much of what you inherit should be sustained either in current form, or in a modified form. By the same token, late into its second term, the Bush Administration drifted toward a position of being over-reliant on Chinese cooperation (which was mixed at best) and overly solicitous of concerns identified by China. We have made unnecessary sacrifices in our alliance relationships and with Taiwan under the mistaken belief that all roads for regional problem solving must run through Beijing.

It is also true that we remain saddled with an uncomfortable reality – that virtually all the major disruptions in U.S.-China relations since normalization have come from unanticipated, unexpected incidents (e.g. the accidental bombing of the Chinese embassy in Belgrade, and the collision of a Chinese fighter and U.S. reconnaissance plane). These “unknown problems” are potentially worrisome for the future as the United States and China still lack any proven mechanism for crisis management. You should direct your Administration to explore ways to strengthen crisis communication mechanisms.

With respect to Tibet, the Bush Administration deserves great credit for supporting His Holiness the Dalai Lama and his agenda to secure genuine autonomy for Tibetans inside Tibet. You should continue to honor and support His Holiness as a man of vision and a man of peace, and you should urge China to engage in direct dialogue with the Dalai Lama and his representatives. You should continue to promote the cause of genuine autonomy, religious freedom, and cultural preservation inside Tibet, and among Tibetans areas inside China. It is also important that your Special Coordinator for Tibet remain at a senior level within the U.S. government – Under Secretary or higher. In addition, it is equally true that the Uigher communities found predominantly in Xinjiang are also deserving of autonomy when it comes to practice of faith and preservation of culture. And in no way should we accept suppression of Muslim communities in China under the guise of counter-terrorism.

Regarding Hong Kong, it is important to continue the special relationship with the Hong Kong government that our own Hong Kong Policy Act allows. Hong Kong continues to be an important trading partner to the United States, serves as an excellent port of call for our transiting Navy vessels, and is also a reliable partner in many international forums. We can continue to do more with Hong Kong, including recapturing some lost ground (the Bush Administration dropped counter-terrorism training with elite Hong Kong Special Duty Police forces that should be resumed). We should also continue to work with those inside Hong Kong who are pursuing political liberalization and full democracy.

Another matter that will require immediate attention on the part of your Administration is to **rationalize our policy toward North Korea, improve our alliance with South Korea, and to put us on a much more sensible path that will better position us for success on a variety of core issues.** The United States has failed in its efforts to remove nuclear weapons from the Korean Peninsula. But we have also failed in other ways. Rather than strengthen our friendships, our diplomacy has created suspicion among our most important allies. And we have narrowed our Korea policy to being solely an anti-nuclear policy (and a shaky one at that).

Regarding North Korea, you should continue both bilateral diplomacy, and multi-lateral diplomacy, but you should insist upon a return to core principles of “Complete, Verifiable, Irreversible Disarmament.” In addition, we should also approach North Korea with a broader set of goals and a more comprehensive strategy. You can develop a policy (along side our allies – and in this regard, restarting a meaningful trilateral coordination process between the U.S., ROK, and Japan is critical), that addresses human rights in North Korea, proliferation, North Korea’s missile program, conventional military threat reduction, inter-Korea dialogue, illegal and illicit activities, and political and economic reform. Along side our allies, a more sophisticated approach is possible that seeks to fundamentally alter what is at the core of our concerns – the current ability of a dictator to commit his own population to life-long misery, and his ability to threaten neighbors and others through direct action, or through the proliferation of weapons of mass destruction and their delivery systems.

We must invest serious time and energy in improving the U.S.-ROK alliance. There is greater potential to be realized if we can move the alliance in orientation toward a more global alliance – rather than one narrowly constrained to the Peninsula.

South Korea has been unfairly characterized throughout the Bush Administration as a problematic relationship, but reality shows something quite different. Seoul has proven time and again on core issues of concern identified by the United States, they are an able and reliable partner. On the other hand, South Koreans can rightly ask about their treatment in return. With a lot of help from the U.S. Congress, the Bush Administration has fumbled the U.S.-ROK Free Trade Agreement (KORUS FTA), and recently, inexplicably de-recognized Korea’s claim on the Dokdo Islands. But probably worst of all, Washington has been guilty of downplaying or even not acknowledging South Korea’s genuine efforts to contribute to U.S. national security goals. Despite having the third-largest presence in Iraq, President Bush rarely mentioned them as a major participant (most infamously, forgetting the ROK in a State of the Union Speech in which he mentioned contributors to Iraq who were far less generous in their force deployments). Further, Washington has made clear through actions (if not by words from time-to-time) that the U.S. considers China its primary interlocutor in developing a strategy to deal with North Korea – and not our treaty ally who has much more at stake.

You should direct a review of Korea policy with the specific aims of broadening our objectives with respect to North Korea, re-orienting our policy development to

prioritize views and interests of allies, and strengthening and modernizing the U.S.-ROK alliance by extending our vision in the direction of a truly global alliance.

You should also direct your Administration to **give serious consideration to regional architecture, and engage with like-minded countries to devise a roadmap to achieve the desired end-state.** As of now, the United States is absent from the dialogue as others explore a variety of ways Asian nations may organize to address challenges in a multi-lateral setting. Worse still, the agenda on regional architecture is largely being driven by countries that may not share our values nor support our interests.

Rather than complain about these efforts others are making, we should have our own notion of architecture that will ultimately empower like-minded countries to the extent possible. There may very well be a wide variety of possible formulations that will ultimately serve to promote U.S. interests. The United States could hold discussions among the United States and all its treaty allies in Asia, plus Singapore. We could endeavor to strengthen existing organizations where we have a seat at the table, like APEC. Others have suggested a forum of like-minded democracies in Asia. While China may rhetorically complain such gatherings are designed to plan against them, we would almost certainly have a broad agenda to discuss with our friends that would touch only tangentially on China (issues like counter-terrorism, maritime security, counter narco-trafficking, etc).

The basic point is that your administration should be pro-active and engaged in the consideration of regional architecture. Remaining passive and in response mode only heightens the possibility that organizations will be formed and agendas pursued that will be inimical to our long term interests.

Your administration will also inherit transition and transformation in progress related to our military posture in the Asia-Pacific region. **You should seek a way to rationalize military force posture, presence, and remaining operational issues with allies.** The underpinning to regional peace, stability, and prosperity over the last half century in Asia has been the forward deployment of U.S. military forces. Yet our posture is in flux as we have yet to conclude realignment in Japan, have yet to resolve operational issues with the ROK regarding war time command, and have yet to truly transform our capabilities based on 21st century challenges. This task is increasingly important as China continues to embark on a very aggressive military modernization program lacking in fundamental transparency.

Guam will play an increasing role in supporting U.S. troop presence in the Asia-Pacific region. You should work with the Congress to ensure the relocation of U.S. forces occurs as close to on-schedule as possible, and that appropriate resources are available from the U.S. and Japan to invest in the full range of infrastructure requirements Guam will face given the increased footprint of U.S. forces.

As the Asia-Pacific is very much a maritime domain, you should also direct your Department of Defense to intensify efforts to work with allies, ad hoc coalition partners,

and friendly countries to extend “Maritime Domain Awareness.” Countering a variety of challenges such as drug trafficking, weapons proliferation, piracy, human trafficking, and commercial counterfeiting, as well as promoting energy security, maritime safety & security, and environmental protection requires strong U.S. leadership. But equally important will be cooperative partnerships with others in the region. Singapore has shown leadership in this regard, and Japan is a proven reliable partner in these areas. We should leverage their efforts to a greater extent.

You should **also continue the vigorous pursuit of trade liberalization in the Asia-Pacific region**. Asia may not move expeditiously to a common market, but we certainly don’t want to be out of the room as Asian nations negotiate with one another about the future basis for trade liberalization. You should work to see the U.S.-ROK Free Trade Agreement to its conclusion, but you should also pursue new FTA’s with countries poised to enter into agreements that would ultimately be to the benefit of American business and consumers. We should seek FTA’s with New Zealand, Taiwan, and even Japan. You should also continue to push aggressively for trade liberalization in Asia-Pacific forums such as APEC, and in the Asia sub groups of the WTO. Both China and India have emerged as obstacles in global trade liberalization, and your Administration should focus on how to achieve their concurrence with our agenda – which in reality, can greatly contribute to their own economic growth and modernization.

You must also make it a priority to **exert leadership on the twin challenges of energy security and climate change**. The Asia-Pacific region contains six out of ten of the world’s largest consumers of energy, as well as six of ten of the world’s largest emitters of greenhouse gases. Asia represents both the best and the worst of sustainable development. Japan is the world leader in the efficient use of energy, while Taiwan ranks as the number one recycler in the world. But also found in Asia, China alone contains sixteen out of twenty of the world’s most polluted cities, and China and the United States share the dubious distinction of being the two largest contributors to greenhouse gases. The United States can work with other developed nations in Asia to create momentum behind sensible policies supporting sustainable development. We must have our own house in order first, of course, and we must regain the trust of other nations that we are willing to do our part. However, all nations of Asia must be a part of the solutions. No efforts to reduce global emissions of greenhouse gases can occur in consequential quantities unless *both* the United States and China play significant roles. The United States, Japan, Australia, and other countries that have advanced environmental technologies should find ways to provide these technologies to the have-nots, as well as the knowledge of best practices.

Your Administration will certainly inherit a world of continuing high energy prices, and growing competition for energy resources. It is important that such competition does not manifest into an energy-related incident or even military crisis. It is conceivable, however, that ongoing territorial disputes over energy-rich areas could lead to precisely that outcome. Tensions between China and Japan have cooled temporarily – but major issues remain unresolved with respect to disputes over ocean oil reserves. Within our alliances, energy security dialogue should be elevated as a higher priority

agenda item. Extending beyond the realm of alliance relationships, you should also consider calling for a permanent energy security dialogue among the major energy consumers and producers of the Asia-Pacific region.

You will need to place a high priority on **non-proliferation and counter-proliferation in Asia**. The potential sources of proliferation of weapons of mass destruction and their delivery systems are well-known, and more aggressive steps may be required to curb their activities. The Bush Administration proudly trumpets the Proliferation Security Initiative (PSI) begun on its watch. While the Administration does indeed deserve credit for creative thinking on these matters, and for proactive efforts, legitimate questions remain regarding how effective PSI has been in operational terms. You should ask your Administration to review the status of PSI in Asia, and seek ways to further strengthen our counter-proliferation policies. PSI is quite likely the best starting point – but more should be done to increase the latitude of our military to interdict when necessary under the auspicious of PSI, and more needs to be done with law enforcement to crack down on the illegal and illicit activities that so-often fund or facilitate proliferation.

You should direct your Administration to **change both the tone and substance of our relationship with Taiwan**. Taiwan represents a dramatic success story in terms of its rapid democratization and its economic leadership. Taiwan largely shares our values, has studiously supported the United States on issues *we* identify as important, and is poised to be a like-minded partner and ad hoc coalition partner on a wide range of regional and global challenges. However, you will inherit a dysfunctional economic and security relationship that may be just emerging from its nadir. At an early juncture, President Bush and his Administration judged former President Chen to be unhelpful, or worse, a trouble maker. Objectively speaking, President Chen’s tenure was more complicated than most often characterized, and he rarely received proper credit for the support he lent to the U.S. on important challenges (donations of material support to Afghanistan, aggressive pursuit of North Korean illegal and illicit activities, and important counter-terror measures such as making the port of Kaohsiung a “Container Security Initiative” Port).

It may be argued that by the time you take office things will have changed dramatically in the Cross-Strait relationship. And while it is quite possible progress will continue on the economic and direct link aspects of the relationship between Taiwan and China, this should not prevent us from pursuing a positive bilateral relationship within our own right. Taiwan has intrinsic value to the U.S. interests that transcends cross-Strait issues. Given the size of Taiwan’s economy, its position in the global supply chain in key sectors, and its leadership role in democracy promotion, Taiwan’s power and influence in the international community belies its diminutive size and population. We should also demonstrate through our actions that Taipei is best positioned to pursue cross-Strait initiatives from a position of strength. One source of Taiwan’s strength can come from a strong U.S.-Taiwan relationship. You should direct your Administration to remove restrictions on interactions between political leaders in Washington and Taipei, to increase security cooperation including the sale of military hardware, and seek ways to

broaden our bilateral agenda that is more commensurate with two like-minded democracies.

Your Administration would also be well-served by developing a **strategy for enhanced engagement of the countries of Southeast Asia** – both in terms of the various bilateral relationships, as well as ASEAN as a whole. Your inheritance in South East Asia is somewhat complicated, because the region is diverse and dynamic. Taken as a whole, Southeast Asia is home 600 million people and generates a combined GDP of \$800 billion. It is also home to some of the world’s highest growth rates. These facts alone might suggest the region merits our steady attention and involvement. The common charge, however, is that the lack of U.S. attention in the region has been particularly acute in Southeast Asia. There is also a common complaint that the United States has ceded the playing field to China, who has invested heavily in the region in recent years. The charges are not entirely unfounded, but the reality is a little more complex.

In fact, the Bush administration deserves great credit for advancing several of our key relationships in Southeast Asia. Relations with Singapore may be as good as they have ever been. A Free Trade Agreement and a new Strategic Framework Agreement are the hallmark accomplishments of the previous Administration’s work with Singapore counterparts.

Indonesia will continue to be a country of strategic importance to the United States going forward. As the world’s most populous Muslim country, as a fledgling yet successful democracy, and as the owner of key real estate in the Asia-Pacific, Indonesia’s direction will have tremendous impact on the region. While the Bush Administration deserves some credit for advancing the bilateral relationship, particularly in stripping away some of the self-imposed constraints on our interactions with Jakarta, even greater attention and investment is merited. Part of your effort should involve a simple change in tone. Rather than appear as a “Johnny-one-note” on counter-terrorism issues, the United States needs to be presented as a partner to Indonesia who is willing to invest in Jakarta’s future in consequential ways. Indonesia’s President is himself uncorrupt and is genuine in efforts to put his country on the right track, but he is nonetheless still dealing with internal corruption, ethnic and religious tensions, development challenges, and continuing terrorist and criminal activity. Our approach to Indonesia should be more comprehensive, and should convey an appreciation for the broader array of challenges the country faces in its efforts to become an enlightened and modern Muslim nation.

The Bush Administration achieved breakthroughs in U.S. relations with Vietnam. This trajectory can continue if we recognize Vietnam’s economic goals, as well as their security needs. Vietnam’s skepticism of China’s rise may give them reason to want closer ties with Washington – which we should readily accept. However, we should not turn a blind eye to continuing human rights problems and the halting progress of political liberalization. As we seek a more robust commercial relationship with Vietnam, and explore modest security cooperation, we should continue to encourage meaningful reform inside the country.

No country had a comparable “roller coaster” relationship with the United States the last eight years as the Philippines. In May 2003, President Gloria Macapagal-Arroyo was received in a very rare state visit by the Bush Administration. By July 2005, the relationship had plunged after President Macapagal-Arroyo pulled troops out of Iraq to secure the release of a single hostage whom the kidnappers threatened with beheading. Your Administration can resume a more strategic view of this treaty relationship and put the dramatic ups-and-downs in the past. The fact remains that the Philippines is a somewhat troubled country racked by poverty, rampant criminal activity (cloaked in political agendas), and terrorist organization. The Philippines continues to need assistance in capacity building to deal with internal challenges, but you should also work to repair the alliance and position our forces to work alongside Filipino forces in regional and out-of-region missions. This will entail more robust bilateral assistance and training.

You will inherit a continuing challenge in Burma. It is a tragic country with a leadership seemingly content to sustain the suffering of Burma’s own people as long as their own grip on power is not threatened. You should continue efforts to seek the release of Nobel Laureate Auung Sang Suu Kyi, and support her and her party’s efforts to promote democracy inside Burma. But you should also recognize the shortcomings of our policies to date. Isolating and sanctioning Burma’s leadership is a morally sound approach, but it has yet to pay the dividends for which all had hoped. Also, though morally correct, it may not be a practical approach given the significant support Burma receives from both China and India to sustain her current ways. There may be alternatives that could ultimately be more effective. Burma’s leaders and their policies cannot stand the light of day – witness their extreme reluctance to allow relief agencies into the country after the devastating cyclone. More engagement with the outside world – primarily through ASEAN and NGOs – may be the beginning of the end for the corrupt leaders of Burma.

Though traditional a strong treaty ally, you will also be inheriting a challenging relationship with Thailand. This is largely to do with internal challenges faced by Bangkok. She has never fully recovered from the 1997 Asian financial crisis, has had difficulty coming to grips with the serious nature of the challenge posed by Muslim separatists in the South, and has yet to stabilize after the military’s removal of Prime Minister Thaksin in a 2006 bloodless coup. You should encourage your administration to work with counterparts in Thailand to assist them back on the path to democracy in the fullest sense (not simply elections, but strong institutions and successful anti-corruption efforts). Equally important, your Administration needs to keep in mind the long term value of keeping the alliance in tact and strong. Thailand is struggling to be on a positive path, and we should not discount the possibility of a more robust security relationship in the future if proper nurturing is given.

Relations with Malaysia improved on President Bush’s watch, though most of the credit goes to a single event in Kuala Lumpur – the retirement of Mahathir bin Mohamad after 22 years as Prime Minister. Mahathir’s successor, Prime Minister Abdullah bin Ahmad Badawi, has made conscience and deliberate efforts to improve relations with the

United States. Questions remain about the future of political liberalization in Malaysia (e.g. the recent decision to once again introduce charges against opposition leader Anwar Ibrahim), but we should not discount how important the United States is to Malaysia's future and the leverage that may give us. We are Malaysia's largest trading partner, and the largest source of foreign direct investment. Thus far, Malaysia has partnered with the United States and other countries in areas such as counter-terrorism and maritime domain awareness. While there may be limitations on the pace and scope of advancement of the U.S.-Malaysia bilateral relationship, it is certainly worth exploring where we can achieve even greater cooperation.

The often overlooked country of Brunei presents a multi-ethnic, multi-religious Sultanate with an extremely high per capita GDP. U.S. relations with Brunei have been solid, but there is still perhaps untapped potential that could be found in further expansion of cooperation. The United States military has had training opportunities in the jungle regions of Brunei which cannot be duplicated inside the United States. You should direct your Department of Defense to explore ways in which more cooperative activities can be pursued under the existing Memorandum of Understanding.

Cambodia and Laos remain in a lower-tier status among ASEAN countries. But it may also be the case the one of these countries is moving in the right direction (albeit on an uneven and halting path), and one is mired in troubles. Cambodia continues its very slow emergence from extremely turbulent decades of civil war and genocide as well as external conflict. But there are some signs that further economic openings and modest political liberalization are in the makings. This should be further encouraged by your Administration. The Bush Administration made reasonable efforts in Laos – extending normal trading relations, increased foreign assistance, and special initiatives such as removal of land mines and ordinance. But Laos is still dealing with a difficult insurgency and a very sluggish economy trapped in failed policies of the past.

As a whole, your Administration should engage ASEAN in a more robust fashion. At a very minimum, our representation and participation at events such as the ASEAN Regional Forum should match that of our counterparts. But much more can be achieved through more sustained and thoughtful outreach. In 2008, the United States named an Ambassador to ASEAN in a positive move – but the decision to “dual-hat” the current Deputy Secretary of State for South East Asia as that Ambassador may have diluted the significance of the appointment (though he is a very capable officer himself, the message was received in South East Asia as “business as usual”). You should consider appointing a more senior official as Ambassador to ASEAN and empower that official to pursue creative diplomacy to strengthen our ties with this critical region. You should also give serious consideration to having the U.S. sign the Treaty of Amity and Cooperation.

As President, you should direct your Administration to **seek ways to take advantage of India's growing involvement in East Asia and explore how this enhanced level of activity can be shaped (even if on the margins) in a direction to support U.S. interests.** Given India's emergence as an economic, military and diplomatic heavyweight, as well as New Delhi's own stated “Look East Policy,” it is very

likely that India will be more active in the Asia-Pacific region, and will exert increasing influence. Recognizing India as a like-minded democracy, the United States should encourage this trend of engagement on New Delhi's part. However, deftness is required by policy-makers in Washington. While India may be open to enhanced bilateral relations with the United States, Japan, Australia, and others in the region respectively, and may even remain open to certain cooperative activities of Asia's like-minded countries (e.g. the Malabar Exercise of 2006 involved naval vessels from The United States, India, Japan, Australia, and Singapore), New Delhi will studiously avoid entrapment in a de facto cooperative effort aimed against China. Nonetheless, you should encourage India's participation in Asia, support her having a seat and a voice in regional forums, and continue to think creatively about a sensible constructive agenda on which India can join the United States and the region's other democracies. Good work has been initiated in the area of training for disaster relief, but this agenda should be expanded.

You need to be **watchful of Russia's re-emergence in the Pacific**. Riding the strength of the petro-dollar, and the cult-of-personality of Vladimir Putin, Russia has sought to exert increasing influence on her periphery and in her neighborhood. It may still be the case that Russia remains a power in decline and on a downward trajectory from the heyday of Soviet Power (e.g. decreasing life expectancy, growing corruption and criminal activity, atrophy of military capabilities etc), but in the near term Russia's leaders seem intent on bullying and intimidating neighbors. This tendency has been most acute in Eastern Europe and the Caucasus, where Moscow has issued veiled (and some not-so-veiled) threats to Ukraine, Georgia and other former dominions of the Soviet Union who seek closer security ties with NATO and the United States. Recently, Russia has not demonstrated such egregious behavior in the Pacific region. But given the increasingly autocratic nature of its leadership, as well as outstanding questions in the Pacific region related to disputed territories (e.g. Kuril Islands/Northern Territories) and access to energy resources, we cannot discount the possibility that Russia will adopt a more aggressive posture in the Pacific. If this occurs, Russia's stance will almost certainly be at odds with the United States and our key allies. Your Administration should also keep a keen eye on the potential for contestation for resources in the Arctic region with Russia. In the near-term, you must continue to watch Russian arms sales to China, and urge prudence in those transfers.

You should not forget about the countries that punch above their weight, and you should seek ways to exploit their punches even further. It is hard to imagine places as different from one another as New Zealand, Mongolia and the Compact countries of the Pacific Islands. Yet they share important similarities to keep in mind as you formulate the policies of your new Administration. They are democracies (old and established in the case of New Zealand, and relatively new and fledgling in the other cases), they are largely of like-mind in approach on issues affecting core U.S. interests, and they share the quality that a little investment and attention can go along way. In fact, the Bush Administration should get credit for just that – he hosted New Zealand Prime Minister Helen Clark at the White House in 2007, he visited Mongolia in 2005, and the Administration signed new Compact agreements with two out of three of our Pacific

Partners. More can be done. New Zealand is still penalized for anti-nuclear legislation they passed in 1985, despite making significant contributions to Afghanistan and Iraq, and despite enlightened leadership in regional peacekeeping and diplomacy. While the most fundamental aspects of the ANZUS Treaty must be held in abeyance until Wellington changes its laws, you should direct your Administration to seek out as close as an “alliance-like” relationship as possible. We should also pursue an FTA with New Zealand. Mongolia committed several rotations of troops to Iraq and is poised to be a regional center of excellence for peacekeeping. More investment to achieve Ulaanbaatar’s own stated goals along these lines is merited. And our Pacific Island friends, Palau, the Federated States of Micronesia, and the Marshall Islands need to understand that they are looked at as more than just three solid votes in the United Nations. They can be leaders by example in good governance, democracy promotion, and capacity-building for a range of counter-criminal activity.

The mission of counter-terrorism will undoubtedly remain a high priority for your Administration. But we should also be aware of the caricature that has emerged in Asia of the United States as *only* caring about counter-terrorism, and sometimes at the expense of other issues Asians care about. **You should ask the Asia team of your new Administration to work with intelligence and counter-terror officials, and with public diplomacy officials to conduct a review of counter-terrorism efforts in Asia.** Their charge should be to develop a strategy and associated tactics that first and foremost combats terrorist organization. But in addition, our approach should place us more comfortably alongside allies, friends and others in developing comprehensive and sustainable relationships that will ultimately help marginalize support for groups that wish us ill and are willing to resort to violence. Counter-terrorism efforts should be one component of our respective bilateral relationships in Asia, and a major agenda item for regional organizations – but counter-terrorism as an issue and as an operationalized agenda should serve as a uniter and not a divider.

This rather lengthy to-do list can become the foundation for an Asia regional strategy for your Administration. But it is also a vehicle to start thinking about a “Smart Power Strategy.” Hard power is important in Asia as elsewhere, and our traditional military and security challenges are growing, not receding. However, particularly given your inheritance, it is **extremely important that your Administration develop a more sophisticated Smart Power Strategy** – i.e. the right balance and mix of both hard power and soft power. Our commercial activities, our direct foreign assistance, our willingness to engage in regional disaster relief efforts, the effectiveness of our public diplomacy will all contribute to how we are received in the region, and thus the ultimate willingness of countries to support interests we identify as most important. Unlike other regions of the world, Asians are not clamoring for the United States to leave the scene or reduce presence in the region. Rather, it’s the opposite. Generally speaking, Asians desire more involvement on the part of the United States – but they want the *right kind* of involvement. U.S. leadership is welcomed and probably still necessary for Asia to succeed. But a capricious approach underscored by American reluctance to give due consideration to the concerns of our allies and friends will lead Asians to seek alternatives to U.S. leadership. Such is not that kind of inheritance you want to pass to



your successor. Attention and investment in Asia, executed correctly will sustain us on the ideal path. Your articulation of that objective is necessary for your incoming Administration.