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VERBATIM TRANSCRIPT

Assessing the President's Trip to Asia

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Moderator: **Jenny Town** Managing Editor, 38 North and Assistant Director, USKI

PROCEEDINGS

MS. TOWN: Okay, I think we'll go ahead and get started. For those of you in the back, if you do want to move forward, we now have a big room, with fewer people. We usually have a small room with more people, so now you can spread out or you can come join us in the front as well.

AMB. GALLUCCI: This is known as "the church effect," that nobody fills in the front pews.

MS. TOWN: So, welcome to our 38 North press briefing. We haven't had one in person for a while. Things have been too busy. But we thought we would resume, and we're very happy to have our guests here. I think you all have their bios there.

I am Jenny Town. I'm the Assistant Director here at the US-Korea Institute at SAIS and the Managing Editor for 38 North. And we are happy to have Ambassador Gallucci and Yun Sun here, to talk a little bit about where we are today, after the President's trip to Asia. And so I know, especially on the Korea front, a lot of us were very nervous what would happen with Trump in South Korea and especially with his speech to the National Assembly. And I think our expectations were that it had the potential to be very bad, and so we were all a little relieved that it was okay.

But the question is what was the actual message he was sending? Is it something really useful? Was it consistent in Japan, Korea, China, and the rest of his trip in Asia? And where does that leave us going forward, in terms of the US-Korea alliance, the US-Japan alliance, US-China cooperation, on the North Korea issue.

So, I think we'll start with Yun Sun, and any number of those questions that you want to address, or throw in, feel free to throw in, your own as well, and we'll have Yu start, and then we'll go the

Ambassador.

MS. SUN: Thank you, Jenny, for this opportunity to be here. I work on China so I will focus on Trump's trip to China and what came out of that trip about North Korea.

I'm sure everybody has observed that most of the concrete deliverables from Trump's trip to China were focused on trade, and there have been very limited references and very limited results that we can observe, on the issue of North Korea. And the statement coming out of China is also very moderate, in terms of the North Korea issue.

For example, we hear everything that we have heard before. There is almost a new – there are no new references are new concepts or statements on the issue of the North Korean nuclear problem. For example, the Foreign Ministry said that Xi Jinping comprehensively explained China's consistent position on the North Korea nuclear issue.

Both sides, the US and China, reconfirmed their commitment to the international nonproliferation regime, the commitment to CVID which is not a new commitment, but it had disappeared from the Chinese statement for quite a few years and there's the Obama administration's issue of CVID. And both sides agreed to the comprehensive and strict implementation of UN Security Council resolutions to maintain their pressure on the North Korean tests, both missile tests and nuclear tests.

And, according to the Chinese statements, the United States agreed, or reaffirmed, that there is agreement to peaceful solution of the issues through dialogue and negotiation. This is something that China has been constantly pushing for, and China and Russia insisted on including that provision in UN Security Council Resolution 2375. But apparently this clause or this reference is not the focus of the international community on the UN Security Council resolution.

The international community's focus is whether China will implement further sanctions and put further pressure on North Korea. But, on the issue of sanctions, pressure on North Korea, at least from this trip, there was no manifestation, from the Chinese side.

One minor manifestation that we do, people do, draw a linkage to Trump's trip to China was the announcement from China the day before Trump's arrival, that China is suspending tourism to North Korea from China. And I just checked last night on Chinese travel agency sites and the tours, for Chinese citizens to North Korea, have not been restored.

So, we will see how long that suspension will last. But then again, now is the winter season, it's not the peak season for Chinese tourism to North Korea anyway. You could say that this is an "easy deliverable" for the Chinese. But they did it the day before Trump arrived in China and you could draw the linkage.

So, I have not been able to observe any major breakthroughs or any breakthroughs from Trump's visit to China, on North Korea. China, in terms of its policies, still insists on the double suspension or the dual track mechanism, but the essential criteria or the essential issue here is not what China will do; it's what North Korea will do. If North Korea insists on more provocation, then the Chinese insistence on the double suspension or the dual track mechanism is not going to be realistic.

So, how about some new observable mechanism or statements or atmosphere coming out of China related to the Korean Peninsula after Trump's trip? I think given the mostly positive consensus that Trump reached with President Xi Jinping on US-China relations, China's reaction to this time to the military exercise between the US and South Korea, and the deployment of three aircraft carriers in the region has been very moderate compared to China's previous, China's past, record of reactions.

In the past, we have seen Foreign Ministry statements condemning such deployment or condemning the joint military exercises, or China's PLA hosting its own military exercise, vis-à-vis targeting the joint exercise by the US and South Korea. But this time, from the Chinese media and from the Chinese policy community, there has not been any overreaction to the military exercise.

So, the question on whether China will apply more pressure on North Korea, I think it depends on the level of provocation coming out of North Korea and the level of escalation of the tension. That's not really a new position on China's part. China has main concerns and main worries about the breakout of a crisis on the Korean Peninsula, and this concern has been elevated since the inauguration of the Trump administration.

So, even without pressure from Washington, D.C., in order to prevent the crisis from breaking out, China will apply pressure on North Korea. However, how much pressure China will apply on North Korea depends on China's national interest; it does not depend on how much pressure Washington will put on Beijing or Xi Jinping. No matter how much pressure Trump will put on Xi Jinping personally, China will take punitive measures against North Korea because of its own national interest, but not for the satisfaction of the United States or to the satisfaction of the United States. China will not go beyond its own comfort zone.

So, the pressure, why does China apply more pressure now? On one hand, it is to prevent North Korea from escalating its provocation, to show China's position to North Korea. But, on the other hand, I sense that the Chinese are also trying to test what kind of punitive measure has the most effect over the behavior of North Korea. But maybe none of these punitive measures are enough to stop North Korea from provocation, but there are various levels of effect coming to the different measures China can take. So I think China is trying to test which one is the most effective.

But China's goal is by no means to force a collapse of the North Korean regime. Instead, China's goal is focused on putting more pressure and forcing North Korea to come back to the negotiation table. And this is also part of the region that China keeps pushing the United States to come back to the negotiation track.

As I am sure everyone has heard, last night, that the latest coming out of China is that China is sending the chief of the CCID, the chief of the International Department of the Chinese Communist Party, to North Korea on Friday. So, Sung Tao, who is the chief, he will be visiting North Korea as a special envoy of Xi Jinping, but the primary goal of his trip is to debrief the North Korean government and the Workers Party about the 19th Party Congress in China.

We anticipate, speculate, that the issue of the North Korean nuclear issue will be discussed, but I don't think it will be the main focus of his trip, and the influence China will be able to apply to North Korea on the nuclear issue will also be limited. And I also do not believe that this trip represents a reimprovement or re-warming of the ties between China and North Korea, because it is China's tradition that after every Party Congress China will send a debriefing delegation to the four socialist brother countries. So, North Korea, Vietnam, Laos and Cuba.

So, considering the date when the 19th Party Congress concluded, which was October 24th-25th, and the time, the timing, of Trump's visit to China, which was November 7th, November 8th, apparently it is inappropriate for China to send the chief of the International Department to North Korea before Trump's visit. So, this visit by CCID has to wait until Trump's visit to China is concluded.

And, if we look at the ranking of this delegation, of course since Xi Jinping's inauguration the level of, senior level, communication between North Korea and China has been relatively very low. In 2013, it was the Vice President of China who visited North Korea, but he was not a Politburo member. In 2014 and in 2016, the most senior level of Chinese officials who visited North Korea were at the vice ministerial level. And then, in 2015, it was the most senior level visit by China to North Korea, that was by Lo Yun Shan (?), who was a Politburo Standing Committee member. But that was for the occasion of the 70th anniversary of the Korean Workers Party anniversary.

So, Sung Tao, the CCID chief, is the lowest bureaucratic level official that China has sent to North Korea after its Party Congress. In 2007, after the 17th Party Congress, the person who visited North Korea and debriefed the North Korean government was Lo Yun Shan, who was a Politburo member, and in 2012, after the 18th Party Congress, the person who visited North Korea for the debrief was Lee Zhen Gwo (?), who was a Politburo member.

So, Sung Tao himself is a ministerial level official, so apparently it cannot compare to Lo Yun Shan or Lee Zhen Gwo. And, in terms of the sequence, the debrief, or the trip to North Korea this time, is scheduled after the Chinese Communist Party's delegation to Vietnam and to Laos, and it does not follow the sequencing in the past. In the past, China always sent its delegation first to North Korea, then to Vietnam, then to Laos, then to Cuba. But this time China went first to Vietnam and Laos, and North Korea was the third one. And then, of course, we also know that Xi Jinping just completed a visit to both Vietnam and Laos, to consolidate his brotherhood and the fraternity among the socialist countries. But, I do not believe that Sung Tao's trip represents any re-warming of China-North Korea relations.

Last but not least, what I would emphasize or what I would like to point out that's noteworthy and worth observing is that in late August, when Dunford visited Beijing, the two militaries, the PLA in China and the US military, signed a framework document on a dialogue mechanism between the two joint chiefs of staff, of the two countries. So, this is the first dialogue mechanism document that has been signed among the leadership level, between the two militaries.

And the Chinese military have been referencing this document and their upcoming trip to Washington, D.C. in November, on the issue of contingency planning, or the issue of the discussion about contingencies related to North Korea. Because the contingency planning was a priority issue when Dunford visited China in August. So this conversation, I speculate, will continue later this month.

I'll stop there. I'm done.

MS. TOWN: I was going to say, actually, before we move on, if I could just ask, before Trump made it to China, China and South Korea came to this agreement on THAAD.

MS. SUN: Yes.

MS. TOWN: And I wonder if you have any thoughts as to what the motivations were for China to have done it at that moment, and if you feel that this was also one of their ways of experimenting of what kinds of actions might North Korea respond to in a different way, or if you feel it was more economically driven and especially economics and trade with South Korea.

MS. SUN: I think China's decision to improve its relationship with South Korea was a political decision, it was not motivated by economic considerations. I think it was motivated by Xi Jinping's desire to "normalize" – is the word that the Chinese would use – to "normalize" the relationship with South Korea. And there are – well, for example, he was the one who chose to try different strategic alignment choices on the Korean Peninsula after his inauguration, and that test pretty much failed, was regarded as a failure, when former President Park decided to deploy THAAD, and China exhausted all the possible channels for pressure on South Korea to change that decision, and China was not able to do that.

So, President Moon Jae-in's government is perceived as an opportunity to start a new page, to start with a clean slate. But if you compare, I think there are questions and doubts in China when they compare the kind of harsh rhetoric China stated on the issue of THAAD before President Moon Jae-in came into office. I think there is a question as for what is the credibility of China's diplomatic rhetoric, moving on from now.

China was basically threatening South Korea that, "If you do not change your THAAD decision, then this bilateral relationship is done. We are not going to improve our relationship with you." But, for political considerations or for the credibility for his foreign policy considerations, I think China changed that decision, or changed that position on THAAD. Of course, President Moon Jae-in is a convenient timing, a convenient opportunity, but I think it does raise some questions about China's – the consistency between China's diplomatic rhetoric and its actual behavior.

But, to answer your question, I think the reason is political.

AMB. GALLUCCI: So, on that point, I was struck by the pain that the Chinese inflicted, economic pain, on the ROK, at least as I understood it, how quickly that happened, how painful that was, and then that the Chinese fell off it, I thought that you asked the right question.

I assumed that that was some – this may be – I assume, perhaps incorrectly, but I assume that was, in some way, acknowledgement by the Chinese that they knew that those – that radar – wasn't all that threatening to China, that it didn't have a qualitative impact on the capability of the United States to deny China a second-strike capability, that this was maybe not wanting to get on a slippery slope, maybe it was, as you say, even imposed for political reasons, as well as removed for political reasons, that this was not such a substantive issue.

Because I tend to, often, believe the United States of America when it says things, like to the Russians, "Don't worry about the radars in Europe; they're really there for the Iranians," and the Russians say "Yeah, right." And then we tell the Chinese, "Don't worry about the radars in Korea; they're really there for the North Koreans." Yeah, right."

So, I think we mean it but we shouldn't be surprised that it's not really accepted. Okay.

So, Jenny opened this with a suggestion about how to look at the President's, President Trump's, visit to the Asia-Pacific, which I saw it sort of stretched out by Danny Russel. I don't know when he did this interview with Christine Amanpour with CNN, but she asked him, "So, what is your net assessment of the President's trip?"

And I don't know how many of you know Danny Russel, but he had a hard time suppressing a smirk, and he failed at suppressing the smirk. And then said some words to the effect, "It helps if you set the bar low enough, to begin with." So, if the expectations are very low, then you're much more likely to meet and exceed them. Many of you have had children. You know how they do that.

So, when I think about what happened just now, now that we have our President back in Washington, the first thing that occurs to me is that, if I think about how I felt just before he went, I was thinking about war on the Korean Peninsula, that he would, notwithstanding promises that he wouldn't, he would show up at the DMZ. And indeed, he tried. Right? And, when he was at the DMZ, he would say something "profoundly regrettable." Right? And then something awful would follow that. This seemed like an inevitable play that was going to happen.

Okay, so he didn't go there, thanks to the weather, divine intervention I am prepared to believe. And there was -I didn't catch -I looked at the Assembly speech - and I don't think a single reference to "little rocket man," I don't think, crossed his lips.

There was a bit, in the speech to the Assembly, of a little bit of "Don't under-estimate us," and a little aggressiveness in there. But it wasn't – I wouldn't say it was quite as offensive aggressiveness; it was a little aggressiveness. That speech was mostly "Aren't you South Koreans wonderful? Haven't you done wonderful things? And look at the awful things that are happening in the North." That's okay. I mean, it's not exactly a brilliant conceptual presentation. I don't think Henry Kissinger would settle for that. But it was okay; it wasn't "bad." I don't think it did anything bad.

So, the first observation is we are not at war. Good. The second observation is there is still an alliance between the United States and the Republic of Korea, so nothing came out of the bilateral meeting, that we are aware of, that made relations between – personal relations between – President Moon and President Trump any worse than they were before. I don't know – we don't have any reason to believe -- there isn't a level of the relations between the American leader and the Japanese leader, but still they're there.

If I look more broadly at the trip, beyond Korea, I would say "Okay, the United States maybe made a new ally and further overtures to the Russians, which I'm not so sure is a terrific idea, but there it is." We have put people's minds at ease in North Korea and in China and in Southeast Asia, that they don't have to worry about the United States lecturing them about human rights any time soon, not after Duterte's love-in with the President, and without, the best that I can tell, any mention of the rather unusual policies that this Philippine President has pursued.

So, this all means there wasn't disaster. If one would have said "Okay, before the trip, what – if you had a guess what were his objectives or what did his staff tell him were his objectives?" certainly "not screw up" was one of them. But others, other objectives, might well have been to do something to advance trade other than claims about having advanced trade. There were no trade agreements, I think, announced,

other than the pending one that excludes the United States. And I wouldn't count that as a big win for us.

And on, again, that list of things, "dogs that didn't bark," would be the US-Korea bilateral, that that didn't have a particular profile, and it could have, and it could have been destructive of our alliance relations. It didn't happen.

I would say that, overall, if I were grading the trip, with what I would have anticipated I wanted as an outcome, as a citizen of the United States and of the world, I would have wanted the President of the United States to have underlined America's continued vision of itself as an Asian-Pacific power, leave no doubt – leave no doubt in the minds of those you wish to deter – that would be North Korea and China, in the Asia-Pacific – and those you wish to assure – that would be, principally, Japan and the Republic of Korea – and leave no doubt in the minds of those who are neither allies nor potential competitor enemies – that would be Southeast Asia – that "You will be present," and that the United States of America is not ceding – not ceding – to China the dominance of the region.

I don't know that the President of the United States succeeded in that, what I just described. And if I were writing the briefing paper for him, that would have been the first paragraph. That's the most important. The other things would have fallen under specific things, but that would have been the first paragraph, underline America's continuing role, "Count on us."

I don't mean to say they shouldn't count on us because he didn't do this; I mean that I think countries in the region can count on us, but I would like us to underline that and to be very straightforward about that position, that when a country does that it saves itself, sometimes, from the need to go to war. So it's worth doing.

If you create any doubts, it can be very costly for a superpower. This is a proposition that's important for superpowers. Other countries don't usually need to worry about things like that, but superpowers do, and you will know that in the language of the Russians – the Soviets and now the Russians – and the language over the last 10 years that comes out of Beijing, that they recognize that they need to be leaning forward about their position, and they will surround it in non-threatening words, but those non-threatening words surround some fairly aggressive policies on the ground, or in China's case, at sea. So, the leadership issue.

One other point, and then I will subside. We just had a session in here with the chairwoman of the ruling Democratic Party, Assemblywoman Chu, Mia Chu, and she repeated something I had heard a number of times before when I was in Korea three weeks ago or so, four weeks ago, and that is that South Korea absolutely insists that the United States of America asked Seoul's permission before taking military action against the North. I hope you've heard this. I've heard this. I heard it a lot when I was in South Korea.

And I made it a topic of discussion with President Moon. I had some time with him on the first day. And that was, to me, the most important thing I wanted to talk to him about. (Laughs.) Now, I will not tell you what he said; I will tell you, kind of, my orientation to this. It is completely understandable that the South Korean President, and the South Korean Assemblyman, and the South Korean people would like, and expect from their ally, to be consulted about any decision the United States would take which would cause retaliation by the North against the South. We're allies. Of course.

But when you say – but the word "consultation," for diplomats, covers a multitude of sins, actually. A long time ago, "in another universe," there was a crisis over Cuba, and John F. Kennedy sent Averill Harriman – and Cooper was his guy who took notes and recorded this – to tell DeGaulle what we were going to do with the Russians – they were going to do a blockade – and of course this could lead to a confrontation at sea, and this could lead to a war, and "We know you live in Europe." Right? (Laughs.) So, we were going to tell DeGaulle.

So, Harriman says, "I have come – I've been sent by the President – to consult with you." This isn't a perfect metaphor, but it's got some parallels.

And DeGaulle said, "No…" (laughs) – he said – I would do my French accent but I'll spare you – he said – "You actually have not come to consult; you have come to inform." Right? "Because, if I tell you I don't want you to do this, you are still going to do this. This is not a 'consultation.' Would you agree you have come to inform rather than consult?"

Harriman, a very smart diplomat, said "Yes." Right? That way he could leave with his life. Right?

(Laughter.)

AMB. GALLUCCI: The issue here is that you have, some of you who are – probably all of you – heard Secretary of Defense Mattis, some months ago, in answer to questions about "Well, suppose the North Koreans did this?" and that was, sort of, splashdown of IRBMs around Guam or "they did that," and that might have been an atmospheric test of a thermonuclear weapon over the Pacific Ocean, or they did whatever they did, "What would the United States do?"

And Mattis said – I can't quote, but he said words to the effect that if the US judges that there is action about to be taken, or has been taken, against the Untied States of America, its assets or its allies, "game on." That was a little flip for a Secretary of Defense, but in American sports lingo "game on" means we go to war.

He didn't say, "Well, if that happens, I will make sure the President sends an emissary to the Blue House and we will consult," as in ask permission of the South Koreans, "as to whether we can adequately defend the United States of America and its interests." He didn't say all that because it's not true. No country wants to give over defense of their territory to another country, to say "Yes, you may."

But, does the obligation still attain? "Consult" is easy, because nothing – I don't think anything of any significance in Northeast Asia involving military force would be done by the United States without a mil-mil channel, military-to-military channel, communication. So it's not that the South Korean government would be surprised, but the image that our alliance means the United States can't defend itself, that can't be what it means. It certainly means that we were going to, would take, action, the United States would take action, taking full account of our obligations to our allies in South Korea and in Japan.

But, I'm uncomfortable with the proposition that the permission of Seoul is essential before any military action is taken by the United States of America. I find that a reach, which is my way of saying I don't think it's likely at all. And I think it would have been useful, if two conversations, at least, had taken place, between President Moon and President Trump, one of them a narrow conversation on this point,

about consultation, and the broader one about the question of whether or not, "at the end of the day," the United States of America will accept deterrence and containment as a method of dealing with the North Korean ICBM nuclear weapons threat, whether South Korea and Japan will accept extended deterrence as a method to deal with their vulnerability to North Korea. Except not in a sense of "welcome," not in the sense of "will not try to change," but "will not act to prevent." In that sense, "accept."

Because, until we figure that out, there is a cloud over our head when we talk about the current situation, because that means – depending on how one answers that question – that means we could be at war very quickly. And I don't know – I mean, I have my own views about it, but they're of some interest to my dog but to no one else I really know of – so the question is "What does the President of the United States think about that and, by the way, particularly the Secretary of Defense, National Security Adviser, the Chief of Staff, and the Secretary of State?" Those are the principals here.

And also I wonder, with all the enthusiasm there is in the Moon government for being committed to negotiations, whether we let this pass by, because I do believe the North is intent on having credible capability to put an ICBM, with a thermonuclear weapon, on an American city. We need to come to grips with our view of that. I know we don't like it, but that's not enough.

MS. TOWN: Okay. I think there has been a lot put on the table now. Why don't we open it up for a couple of questions and give you an opportunity? There are no questions? Please. Do we have a microphone? Someone?

(Pause.)

QUESTION: Hi. My name is Haruki from the Japanese newspaper, Mainichi, a correspondent. I have two questions. North Korea is stopping the missile launch from the fifth of September. So already two months have passed. So, what kind of message or signal do you feel, do you have?

My second question is I want to ask about the Russian role. So, President Trump has said that he wants to meet President Putin to discuss about North Korea. But unfortunately they don't have enough time to discuss about North Korea. So, those who met in Vietnam, what kind of talk did they have and what kind of request did the United States ask from Russia? Thank you.

AMB. GALLUCCI: Okay. So, on the ballistic missile tests, what I understood the question was, since we haven't had a ballistic missile test for a while, about two months, what does that mean? Well, one thing I know it doesn't mean – it doesn't mean that the Untied States of America takes the absence of tests to mean that the North Koreans have taken the step that we have said they need to take before we will meet with them. It does not mean that.

And it does not mean that, I learned recently, because they didn't tell us that's what it meant. I'm sorry, I hope you find this stupid, because I do. So, it isn't – I'll stop with the metaphors there. Yes, that is the most significant thing, to me, that it is not being taken by the administration as the step that we insisted they take before we would meet with them. And the reason is because they haven't labeled the absence of testing to be an act that they undertook to address an American condition for meeting. And we can talk about that, but let's just leave that there.

I understood the second question to be, "Well, since the President could have talked to the Russian

President about the North Korea case, and apparently they intersected a number of times in Vietnam, but they didn't, apparently, talk about this, or if they did they kept it a secret. What do you think they talked about? And that's how I kept the second question.

Apparently, the American interpretation of what they talked about is whether the Russians had attempted to influence the American election. The Russians have been explicit about that being something they didn't raise at all. So either they talked about it or they didn't.

What else might they have talked about? The President has mentioned that Russia could be extremely important in a number of areas. And he mentioned Syria, for example, that a US-Russian partnership in dealing with the – from our perspective – transition in Syria would be very useful. But I have no reason to believe that's what they talked about.

I also agree with you that, if they did talk about North Korea, that is not - I haven't heard that that's what they talked about, or made any progress on North Korea.

So, I have to say I don't know. But they apparently have a very good relationship, and I can't tell you how pleased I am about that, because everybody needs friends. So, it's good.

(Laughter.)

MS. TOWN: Even Trump. (Laughs.) On top of that, it's not a moratorium unless you declare it's a moratorium, but I think there's more than -I don't think you can attribute any one reason as to why North Korea hasn't been testing over the past couple of months. And there are plenty of reasons why this could have happened. And part of that is it's winter training cycle, so there are military exercises going on, there's harvest season going on.

I find it highly unlikely that they would have tested, with the US President in the region as well, because it is a bigger gamble than if it's just some other high-level official. But it could also just be a technical pause. It doesn't mean they have stopped working on their technology; it might be that they wanted to make sure that whatever they do next works, and that they might be – we've seen some evidence that they might have done some solid fuel rocket engine tests in the meantime. So, I think there could be a variety of reasons, a combination of reasons, as to why you haven't seen testing.

But, I agree with Bob that it's highly unlikely that it was because of the political influence in order to meet the Trump administration's expectations, even though the expectations keep changing anyway. So... -- (laughs) -

Should we go here?

QUESTION: Hi. My name is Song Jong, with Shanghai Hwunhui (?) Daily. We know that the establishment and President Trump have a lot of differences on foreign affairs. And I want to know what are the differences of policies between the establishment and Mr. Trump, on the DPRK policy. And, if we say that the establishment was successful to convince Mr. Trump to have this Indo-Pacific strategy, can the establishment be successful to convince Mr. Trump to follow the correct policy on the DPRK? Thank you.

AMB. GALLUCCI: I'm going to take - interpret that question as an invitation to talk about the

divergence of the President from standard American foreign policy, which has largely survived across administration, and the divergence is, for those of us who are aged and old and have lived through many administrations – I went into government in the Ford administration. It's a long time ago.

For a long, long time the United States has said very consistent things about its alliances. I would put that, in answer to your question, the number one concern. And we have, since the end of the Second World War, the United States, notwithstanding George Washington's admonition about "entangling alliances," went around building alliances, some of them very serious, some not so serious. A not-soserious alliance might be SEATO, and there are some others like that. But serious alliances included NATO, the Mutual Security Treaty with Japan, the bilateral treaty with Korea, treaties with the Philippines and with Australia and, at the time, New Zealand.

So, the reason I start there is because when the President seemed to indicate, when he was both a candidate and then a President who had been elected but hadn't yet come into office, seemed to indicate that it didn't have a very high value, we didn't place a high value on the alliances, and that he viewed them in a transactional way, the way, oh I don't know, a real estate guy might. And he thought of them as what we give and what we get, and we're giving too much! "Damn! Those alliances cost us a lot of money!" You know? "And why are we going that? We've got to get something for our money here! Let's reduce how much money we spend."

For those of us who, in quotes, "having passed through the establishment," this was inconsistent entirely with the premises of American foreign policy that were the most fundamental, about how we protect American national interests and generally promote international security. The competition with the Soviet Union needed to be met, and could not be met, without alliances. The spread of nuclear weapons could not be halted without extending the American nuclear umbrella over allies.

There were fundamental things that had to be done and we needed to "tend to" those alliances, which we constantly did. And the President showed no respect for all that – in fact, real hostility, "They made bad deals. How much is that costing us?" Absolutely, utterly, in appropriate and inexcusable language, so that when he went to Europe, if you remember, and he went and came out of meetings at NATO, what was the story that the press wrote? They wrote all about how the President of the United States had failed to reissue the assurance, the fundamental assurance of NATO, that "an attack on one is an attack on all." That was the news story until a week or two later someone in the White House got around to putting out a statement saying "Yeah, we still stand by that."

All right? So that's why, when I was talking about "What do we get out of this recent visit?" that there was no story that came out. And one of the things that I said to President Moon – (laughs) – is that I hope that when the President leaves Seoul we don't have a story like the one we had when he left Europe. I don't want to read that the alliance is in question. Right? So, if we can avoid that, that'll be a win.

Well, they avoided that! That's a win! Right? It's a win because it wasn't a loss. But I can keep going down...

So, the fundamental tenets continue here, about the nature of and the limits on America's relationship with Russia. He is correct that it would be a good idea to have better relations rather than worse relations – (laughs) – with Moscow. Right? Remember "reset?" The Obama administration wanted to do that too. Right?

But the magnificent naïveté that is betrayed by a sentence that, "He believes it. He believes it. I believe he believes it. And my intelligence community are hacks." A guy by the name of Clapper – Mr. President, that would be "General" Clapper. He served his country in the United States military and rose to the rank of general. We're talking about...

So, that is a departure from history. I don't know of any president who has ever attacked the <u>sitting</u> intelligence chiefs of the United States of America. (Laughs.) Which he didn't; he attacked the former ones, who were recently the sitting ones. I don't know of any case of that happening before.

That's in favor of a belief that the head of our chief competitor believes that we got it all wrong. I mean, this is just – (laughs) – I could go on. There are a lot of – if you're going to look at how you start building the conventional wisdom on which American national security policy has rested for decades and decades, this changes, obviously, from administration to administration.

The Carter administration was quite different from the Reagan administration, which was different from the Clinton administration but not all that much. The Clinton administration was certainly different from the Bush administration, but there were "hard points" throughout – right? And right now one of the reasons I said for me the biggest issue for the topic today is America's posture in the Asia-Pacific – is because that was a "hard point" before.

Do you remember "the pivot," in the last administration? Right? This was really signaling not only has Asia-Pacific always been important and China always been important, but now we are actually rebalancing a bit. Never mind whether they did or not. But they understood they wanted to say that.

But right now I want this President to say things like that, because people don't know what he thinks.

(Pause.)

QUESTION: Boi Yun Shin (?) from Ra (?) Daily in Korea. I think – I mean, China normalized the relationship with South Korea not because they finally recognized radar doesn't threaten them, but because they think they got some concessions from the Korean government, the so-called, I mean, "Three No Policy."

So, I mean, there is some disagreement about this "Three No Policy" among Washington pundits, and they think that we will be hurting our alliance between the United States and South Korea. So, what do you think about this "Three No Policy?" And then, do you think it will be threatening the alliance in the future?

AMB. GALLUCCI: Could someone give me the "Three Noes" again? I've heard them a few times but I would be grateful.

QUESTION: (Inaudible. Audio dropout.)

MS. TOWN: No trilateral alliance among the US, South Korea, and Japan.

QUESTION: The last one is the military one.

AMB. GALLUCCI: What's that? Right. Yeah.

QUESTION: Not joining the missile defense -

MS. TOWN: The missile defense system, the US missile defense system.

AMB. GALLUCCI: Okay. On the first, "no additional THAAD," I didn't know that we had any plans for or had thought we needed more, so I didn't think that was a big deal.

On the second, "no formal trilateral," I didn't think a formal trilateral – (laughs) – that included Japan and South Korea was in the works. As a matter of fact, I find it virtually inconceivable, so I'll give 'em that way.

And no joining of THAAD, technically I don't know about integration of the radars and whether that's an issue.

MS. TOWN: Joining them – (inaudible, audio dropout) – not just THAAD. American missile defense.

AMB. GALLUCCI: But what is that? With what? I mean, I need that one explained a little more. What does the "third no" exactly mean? Does anyone want to take a shot at that?

MS. TOWN: That's the ambiguity of – (inaudible – audio dropout.)

AMB. GALLUCCI: Well, if the ambiguity is as it seems to be, then I would say that's a third not particularly significant no, of the three noes. In other words, I don't see this as – I could understand if the Chinese are going to say, initially – I'm thinking about what you said, how you characterized this – if the Chinese initial position was "If you go ahead with this, our relationship is over" – right? – "hard times ahead for Beijing and Seoul," and not very long afterwards said "Aw, never mind. Oh but, sign the Three Noes."

The "Three Noes" don't strike me as a very – if that's what covers the Chinese saying "Well, I guess intimidation didn't work. I guess economic sanctions didn't work. And I'll throw in 'It's not really that important anyway," – (laughs) – "I thought if we could crack the alliance a little bit that would be useful to me, but if I can't do that, aw, it's not so bad."

I don't see this as a huge concession. Though, I mean, it would be very interesting for me to know whether particularly those who were looking ahead for future missile defense – and what you have to understand about American missile defense is that is a moving target. We have a three-layered defense right now, which is relatively new. Our homeland defense is evolving. The whole defense picture, for us, is going to be changing, because the technology, we hope, is going to be getting better.

So, I don't know whether someone who's in that world would see something in this that they would find constraining. I can't, when I look at it. But I may be missing something technically, is what I'm saying.

MS. SUN: I will just briefly add to that. As everyone already knows, from the South Korea perspective, it's a face-saving measure for China, that the Chinese have been saying that we need something from South Korea on THAAD that can give us face, that can save us face.

I think the Chinese came to the realization that the THAAD decision would not be revoked sometime earlier this year. They already realized that the decision was not going to be revoked anyway, so China could insist on the position that you have to do this knowing it would never be achieved, or they could look for a face-saving way out. And I think that's exactly what has happened in the bilateral negotiation between Beijing and Seoul, especially after President Moon's inauguration.

The "Three Noes" are – the criticism out of China is that it's very intangible and, like, the Ambassador pointed out, some of it was not going to happen anyway. So then the question raised in China is "Could China have got a better deal?" or "China was too eager to improve its relationship, to normalize its relationship, with South Korea, that China just gave it away."

But another factor in this is that President Moon has visited Washington, D.C. in late June, early July, but his visit to China has not been officially scheduled or officially announced. I think that was another factor, that Xi Jinping was very eager to improve the relationship with South Korea, to show that his alignment choice was not a mistake, was not a wrong choice. Yeah, that's fine.

MS. TOWN: Can I, just as a follow-up to that, then – this agreement came right before Trump had gone to China. But one of the deals that he made in South Korea and Japan was to sell more missile defense to South Korea and Japan. And I wonder how China interprets these two actions, of making this, sort of, "Three No" pledge, in order to be okay with saving face and be okay with THAAD, and then knowing that South Korea and Japan now are looking to buy more missile defenses from the United States, even if it's not integrated into – (audio dropout) – defense.

MS. SUN: I think on the intellectual level there are questions being asked, that what has happened with Trump's visit is not consistent with what South Korea promised.

MS. TOWN: Right.

MS. SUN: But I think it is also a political decision, in China, to not play up the fact that the sale has happened or promised to happen, during Trump's visit, because China was very eager to portray Trump's visit as a positive development for US-China relations, and also to portray "The Three Noes" as a very positive sign of Sino-ROK relations.

When that happened, it was basically two weeks after China's 19th Party Congress. The whole bureaucracy, the whole system in China, was mobilized to sing high praise for the great diplomacy of Xi Jinping that came out of the 19th Party Congress and how great the Party is, how great the leader is.

But I think there has been a selective bias during this political period, that certain information was filtered out in the discussion.

AMB. GALLUCCI: I wanted to ask you, if I understood correctly, you said there was a kind of rejuvenation of CVID. Yeah. So, CVID stands for – this is a question masquerading as a statement –

"comprehensive, verifiable, irreversible, disarmament?"

(Audio dropout, inaudible response.)

AMB. GALLUCCI: "Denuclearization." Okay. So, I got the "verified." I got "denuclearization," presuming it means weapons and not nuclear energy, nuclear power.

(Pause. Nothing audible.)

MS. SUN: -- distinction between - (audio dropout) - program.

AMB. GALLUCCI: Well, first I want to make sure that "denuclearization" does not include nuclear power, like –

MS. TOWN: From the Chinese - (audio dropout) -

AMB. GALLUCCI: Yeah.

MS. SUN: From the Chinese – (audio dropout) – CVID – (audio dropout).

AMB. GALLUCCI: Okay. Does it mean they can't have power reactors?

(Audio dropout.)

AMB. GALLUCCI: All right. So that means – I got – so that means comprehensive, no weapons. Verifiable, I got it. What does "irreversible" mean? Does that mean you kill the scientists? What does...

(Laughter.)

AMB. GALLUCCI: What does "irreversible" mean? I mean, how do you do something "irreversible?"

The reason I ask this is because I'm – this is a defensive question. I did this deal a while ago and they had to destroy these facilities. Right? Well, look! They're back! Well, yeah! I mean, if they built it once, why couldn't they build it again? (Laughs.) What does "irreversible" mean? What could it mean? I turn it over to the audience.

You have all heard "CVID." You have all understood, if you were "a real man" – I don't know about women, but if you were "a real man," you'd be for CVID. And I have always wanted to be "a real man," but I could never get myself to embrace CVID because I never knew how you'd get to "irreversible."

(Laughter.)

MS. SUN: IAEA safeguards? To have safeguards in place...

AMB. GALLUCCI: IAEA safeguards? (Light laugh.) I mean, that's irreversible. That's like 10 minutes. I mean, I'm sorry, "You, you, get out of my country."

(Laughter.)

AMB. GALLUCCI: That's not irreversible. Anyway, I just thought I'd throw that out there.

MS. TOWN: This is more of a rhetorical question.

AMB. GALLUCCI: Right.

MS. TOWN: I don't think he's really asking, expecting you to answer.

(Laughter.)

AMB. GALLUCCI: No, I was! I was!

(Laughter.)

AMB. GALLUCCI: I wanted to know if I was missing something here. Because I wanted to be happy the Chinese reimbursed it – excuse me, "reimbursed it" – "re-embraced it."

But I wondered if they knew what they were embracing then, if it's really CVID./

MS. SUN: Yeah, I was looking at the Chinese record on CVID.

MS. TOWN: Can you move that microphone?

MS. SUN: Oh. I was looking at the Chinese record on CVID. Back in 2004, when Bolton was visiting China, China put up a very strong resistance to the term of "CVID," to the effect that when China finally accepted CVID, the State Department was embracing it as a major achievement between the US and China, on North Korea.

And during the Obama administration, I don't remember this term being embraced or being rejuvenated at all, but then the most recent reference between this time is in the foreign and security policy dialogue between the US and China in late June, the term was rejuvenated again.

AMB. GALLUCCI: Yeah, but that's - I didn't understand it when I first heard it and I haven't understood it since, and so I thought I'd - I wondered what the Chinese thought of it.

MS. TOWN: And I don't think we will.

(Laughter.)

MS. TOWN: Why don't we go ahead and take another question?

(Pause.)

QUESTION: Thank you very much. Josh Eisenman from the American Foreign Policy Council,

UT-Austin. So, I'm struck with what seems to be the lack of Chinese influence in the entire peninsula. Right? It seems that, whether it be North Korea or South Korea, Chinese diplomacy, from what I'm hearing from you guys, cannot be considered successful at all. In fact, "The Three Noes" seem to be, like, a backdoor escape, because the whole pressure campaign – I was in China for much of this, watching every night on CCTV, you know, and so it's amazing that this could be taken off the table.

And so I wonder, is this kind of – especially in terms of North Korea – is this not – China's not going to do anything because then that would reveal how little influence it has, so it's better to do nothing than to do something and prove how little influence it has? Right? Is that a fair categorization?

And if so, I guess to Yun, what can Beijing do to reinvigorate its Korea policy, if pressure on the South for THAAD is not successful and pressure on the North is either not forthcoming or not successful? So, how can China reinvigorate its Korea diplomacy?

And then, just to -- kind of begging the question a bit on a point you made a moment ago, about reassuring allies and reassuring competitors, I certainly agree with reassuring allies. That makes a lot of sense. But hasn't America's lack of assurance in Asia also led China to over-stretch itself? I mean, perhaps telling the Chinese "Yeah, we're getting out," and allowing the Chinese to – "give them all the rope they need to hang themselves with."

"Oh, you want to build islands? Build them. Build more islands. That's really working." Right? So, assure allies, but maybe deceive competitors. Right? Why reassure them of anything? Why not just let them spend their resources in ways that upset the region, as they've done for the last five years?

I don't think that China's emergence over the last five years has done them any favors in terms of their diplomacy. So, just kind of begging the question, to ask you to kind of touch on that.

Randy Shriver, today, is going to be – is on the Hill. Right? So, we're going to have a new assistant secretary of defense for East Asia. And so I want to put that to you guys. Does that matter, in terms of US policy towards East Asia? Is that going to fundamentally change things, as we get staffed up?

And then, of the smorgasbord of issues here to lay out, China has long said the US and DPRK should have bilateral discussions. If the US and DPRK took them up on that and said "Okay, we're going to do this. You're not coming. You're not invited. It's just bilateral. Thanks for the idea." How would China actually feel about that idea? Right? How would China respond, if the US and DPRK really did say "Good! Good idea! Let's do it."

MS. SUN: I'll try.

MS. TOWN: (Laughs.)

MS. SUN: I think, on the issue of China's influence over the entire Korean Peninsula, I think it depends on where you draw the bar. If the bar of influence is defined as whether China an force another country to adopt a policy against its national interest, I don't think that's a realistic expectation. I think the Chinese on North Korea, and on South Korea, has its limits, and China cannot force either Korea to adopt a policy against their defined national interest.

But that doesn't mean that China doesn't have influence. For example, on the issue of THAAD, I was talking to a colleague last week about whether THAAD – China's whole maneuver on THAAD – was effective. You could look at the result, no, it was not effective; THAAD was deployed. It is not revoked, and China renormalized its relationship with South Korea.

But, on the other hand, if you look at it from a different angle, from the South Korea angle, the message was sent and the message was received, that next time, similar occasions or similar situations that arise, South Korea will have to reconsider very carefully about the results or about the economic implication and political implication of the decision that they have to make.

And I think, honestly, the South Korean government and officials worked very hard and sought very hard as for how to come up with a way that will save China face and, at the same time, maintain their THAAD decision. So, I certainly would not call China's policy towards the whole peninsula as a failure.

On the issue of US-North Korea discussions, the Chinese Foreign Ministry has the official answer to that. It's "We welcome bilateral negotiations between the US and North Korea." But I think that's the first layer of China's answer, that "We welcome that decision because it will deescalate the tension."

But the second layer, or the deeper layer, under the surface, the deeper message that's embedded in that is any conversation or any decision related to the future of the Korean Peninsula cannot happen without Chinese participation. I think that's fairly clear.

So, the Chinese Foreign Ministry is basically saying that "We want you to start talking, to deescalate the tension." But, coming to the Armistice, coming to the peace mechanism and peace treaty and normalization of relations between the US and North Korea, that will require multi-party participation, and not only China but also South Korea.

As for the US, in China's periphery, I'll leave that to the Ambassador. (Light laugh.)

AMB. GALLUCCI: So – oh! Your question actually, as I'm sure you know, goes to, fundamentally, interpretation of what China is about and how successful they are. Right? I mean, so – and I have my own view about that, and my own view is that China is becoming – is a great power and is becoming, for quite some time to come at least, the principal competitor for regional dominance in the Asia-Pacific, with the United States.

So that, if you have that view – and I thought I'd fess up to that, as I say this – when I look at the way China pressed its claim on the islands, with Japan, and I look at its creation if islands, when I look at the way it presumes to settle territorial disputes, extra-judicially at least, I would say China is recognizing its power and its ability to project military force a certain distance. This is a very geographic, it's a tactical, kind of calculation, with strategic implications. But it is also improving that capability and it is also deepening and enhancing its strategic nuclear posture vis-à-vis the United States, by things it has done with its strategic systems.

Certainly it wants no ambiguity about its second strike capability. It would be, I would say, pleased if the United States would grant it what it grants Russia, which is an acknowledgement of a mutually-assured destruction relationship, which we haven't done with Beijing yet, but I think technically exists. But we haven't done it the way we have with Russia.

So, if you have that orientation, then the next thing to say is that the United States, if you take the position I have taken a few minutes ago, about our own view of ourself as being an Asia-Pacific power, these moves by China need to be addressed by the United States. Not every one, in every place. And it is too simple a thing to say "Are you arguing for containment?" Well, you could say "containment," you could say "balance," you could say a lot of things, all of which will be offensive to Beijing, but accurate.

So, from my perspective, the United States needs to step forward and beginning, rhetorically, so that, hopefully, it doesn't have to do things because it failed to issue the proper language to explain why it is doing what it's doing. I hope this is not too oblique.

So then, if we go to the way you started your question, "Is this a manifestation of Chinese weakness, that it can't get either Korea to listen to it?" I mean, I would say no. I think China has more influence than any other country on the planet, in Pyongyang. But, part of the way the North Koreans define themselves, is to separate themselves from what the Chinese want. That is very important, it has struck me, to not only North Korea generally, but to this particular leader in North Korea. And there certainly is no love lost – you could say historically but certainly recently – between these two countries.

That doesn't mean China doesn't have influence. The question is going to be "To what extent can it pressure and get outcomes?"

I would note to you that this year started with almost this declaration of war, "We are going to develop an ICBM."

"No, you're not." Right?

Well, so, we have been moving along this thing and the Chinese have been pretty clear, with a statement, that if hostilities begin and the provocation comes from Pyongyang, they're on their own. If the United States initiates, "Then we will involve ourselves in these hostilities." So, that may influence thinking in Pyongyang. I mean, you've got to, I think, think... I mean, I don't know this any more than you know that it hasn't. But I think you've go tot be wondering about that.

As for the South, I had reason to believe that Seoul was not amused by the economic impact of what they did to South Korean commercial interests in China. So, I think they've made a point. This is not impotence, you see, on the part of Beijing. There are limits, and I tend to accept the interpretation that you gave a minute ago to what the Chinese were about with "The Three Noes." They were necessary window dressing, at least.

MS. TOWN: Well actually -

(Inaudible audience member. Audio dropout.)

MS. TOWN: Maybe. I mean, there's no guarantee. (Laughs.)

AMB. GALLUCCI: There's a maybe, yeah.

MS. TOWN: Actually, and now we're out of time, because I know you have to leave soon. So,

but, thank you all for coming. I do want to introduce Justin, in the back of the room. He's our new comms person. So make sure to say hi to him, and if you have requests in the future, please feel free to reach out to him and he will be taking over that role.

But thank you for coming.

(Applause.)

END