

## **PANEL I OF A HEARING OF THE EAST ASIAN AND PACIFIC AFFAIRS SUBCOMMITTEE OF THE SENATE FOREIGN RELATIONS COMMITTEE**

- **SUBJECT: "PRINCIPLES FOR U.S. ENGAGEMENT IN ASIA"**
- **CHAIR BY: SENATOR JIM WEBB (D-VA)**
- **WITNESS: KURT CAMPBELL, ASSISTANT SECRETARY OF STATE FOR EAST ASIA AND PACIFIC AFFAIRS**

419 DIRKSEN SENATE OFFICE BUILDING, WASHINGTON, D.C.  
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**SEN. WEBB:** (Sounds gavel.) Good morning. The hearing will come to order.

There's an old saying in the Marine Corps that a lot of times, when you are up to your neck in alligators, you tend to forget that you came to drain the swamp. This is something of a parallel, in terms of our foreign policy, in places like Asia particularly. So today the East Asian and Pacific Affairs subcommittee will begin examining a long-overlooked area of our foreign policy, rooted in the often-contradictory standards we've used in the past and, to some extent, still use today in defining the underlying parameters of our relationships with different countries and different governmental systems.

Nowhere are these contradictions more glaring than in Asia, and nowhere is it more important that we clarify the basic tenets that shape our engagements. As such, I believe that the time has come to undertake a comparative assessment of how our policies toward Asian governments affect our relationships not only in the region but also in the rest of the world.

Our bilateral relations with different countries have evolved incrementally over many decades and, in some cases, over more than two centuries. They've been driven by the consequences of war, by the emergence of new government structures in other countries, and by geopolitical necessity. Collectively, their origin, founding principles, and the resulting governments have varied.

Ours do not. The fundamental political principles underlying the founding and growth of our country have remained constant. It's important for our credibility and for international stability that our foreign policy also be seen as consistent, predictable and firm. History shows that consistency breeds predictability, so that our friends can stand with us, our potential adversaries can measure the potential for disagreement, and those who aspire to better relations with us will have a clear idea of the road to follow. Inconsistency breeds not only disrespect for our standards and disbelief in our motives, but also detracts from long-term effectiveness of our foreign policy goals.

Asia is a composite of political and economic systems, demographic and geographic disparities, and historic rivalries. Many nations in this region are far older than the United States, ancient in their traditions and driven by cultural forces that date back thousands of years. At the same time, the governmental structures in some of these countries have been affected by the impact of colonialism. Others have been born out of the conflicts of the last century. Many of these same countries are still disputing the final demarcation of their own boundaries; perceptions of active security threats remain alive. Relations with the United States have been shaped by all of these factors and it is natural, to a certain point, that we would have a different set of relations and differing benchmarks with nations that have undergone such varying evolutions.

It also should be pointed out that the economic reforms since World War II, and especially over the last 30 years, have caused Asia to become more cohesive economically and, to greater or lesser degrees, interdependent. Cooperation as a whole has strengthened, evidenced most recently by such regional efforts as the China-ASEAN Free Trade Agreement that went into effect this month. Millions

of Asians have taken advantage of new economic opportunities during these past decades and have risen out of poverty.

(Inaudible) -- also seen the growing recognition of the importance of Asia to our own national interests. Six of our top 15 trade partners are located in East Asia. Eight of the top-20 holders of U.S. Treasury securities are located in Asia, with China, Japan, Hong Kong and Taiwan among the top 10. The United States maintains several security alliances in Asia that are -- (off mike) -- (regional stability, balance ?) -- (off mike) -- and other partnerships in that region to counter emerging global threats of nuclear proliferation, terrorism and narcotics trade.

Given all of this change and political evolution, it is absolutely vital that the United States communicate a sense of purpose and consistency in its dealings with every nation. There is no country in the world to which we are more vulnerable, strategically and economically, than China. The risks we face are illustrated by China's recent cyber attacks against government and business organizations such as Google; by its military interceptor test on January 11th; by its expanding military activities the South China Sea; and by the growth of its foreign reserves, to \$2.4 trillion at the end of 2009, despite the global recession.

Moreover, it serves well to remember that the Chinese government does not allow national elections; opposition parties are illegal; political dissidents and their lawyers are regularly imprisoned; and Internet censorship is routine. And yet our burgeoning relations with China have not been preconditioned on the nature of its internal political system, nor its actions beyond its borders. This is not an allegation; it is a statement, a recital of facts.

There are other notable instances that seem to contradict or to call into question our efforts at maintaining consistency in our relations with other Asian nations: While sharing a strong trade relationship and a burgeoning political relationship with Vietnam, despite its failure to abide by its agreement in the 1973 Paris peace accords to hold national elections. We have asserted that -- in the past that free elections in Cambodia were necessary to end the 10-year Vietnamese occupation of that country. Thailand has, on occasion, been penalized by our government for its struggles with elective politics. **And, while most recently Burma's military junta has confirmed its intent to hold an election this year and to allow opposition parties to form, we have been slow to engage the government.**

Many are opposed to any support for this effort because it does not represent full democracy. As these examples illustrate, it is important to reiterate that inconsistencies inherent in our policies toward different governments tend to create confusion, cynicism and allegations of situational ethics. There may be valid reasons for these disparities, and I look forward to hearing discussion of these issues in today's testimonies, but as a retired Indian diplomat recently commented in the Asia Times, Central Asian countries see Western discourse on democracy and human rights as double-speak -- from countries that pander to authoritarian regimes without scruples, when it suits their business interests.

Furthermore, the sanctions and other restrictions that the United States places on smaller countries for internal political acts that are not demonstrably different than those of the Chinese government itself, frequently leads those countries to succumbing to greater influence from China itself. For example, after an attempted coup in 1997 directed at Cambodia's elected Prime Minister Hun Sen, our government slapped a ban on direct assistance to that government for the harsh measures that it applied to defeat the rebels. This may have been justified. But the Chinese immediately backed Hun-Sen's government; tossed in \$3 million in military aid; and since then China has overtaken all countries in donor aid to Cambodia, including having donated \$256 million last year.

This observation is especially relevant as Congress and the administration consider an appropriate diplomatic response to the recent deportation of 18 Uighurs from Cambodia to China. This was done at China's assistance (sic). It was also sweetened by the Chinese government's giving \$1.2 billion in additional aid to Cambodia. Most people conclude that Cambodia had no choice in this matter because the Chinese presence in that country, at all levels, is so pervasive. The State Department's reaction, thus far, has been to condemn Cambodia for its deportation of political refugees without publicly confronting the Chinese government for having levied that demand on Cambodia.

Nowhere is this more obvious than in Burma, where Chinese influence has grown steadily at a time when the United States has cut off virtually all economic and diplomatic relations. Since the tightest restrictions were placed on Burma, Chinese arms sales and other military aid has exceeded \$3 billion. Other public and private Chinese aid has been in the form of billions in interest-free loans, grants, concessional loans and debt relief. There also have been numerous low-interest loans, tens of millions of dollars of which have gone to stabilize Burma's currency, and is only one example of China's enormous investment reach. Within the next decade, China is on track to exclusively transfer to its waiting refineries both incoming oil and locally-tapped natural gas via a 2,380 kilometer pipeline across Burma.

These examples and more illustrate that American sanctions and other policy restrictions have not only increased Chinese political and economic influence in Southeast Asia, they have ironically served as a double reward for China because all the while American interaction in East Asia has been declining. So the ultimate question becomes: What standards should the United States apply in its relations with countries that do not share its belief in free and open political systems? And a second question follows: If we are to communicate and uphold these standards, under what conditions should they not apply to certain countries? These are not idle intellectual questions. They go to the heart of how America sees itself and also how America is viewed around the world.

In order to address these issues, today we are pleased to have with us Assistant Secretary Kurt Campbell. Prior to his confirmation in June, 2009, Assistant Secretary Campbell was the C.E.O. and co-founder of the Center of a New American Security -- for a New American Security; and concurrently served as the director of the Aspen Strategy Group. He has served in several capacities in government, including as deputy assistant secretary of defense for Asia and the Pacific, a director on the National Security Council staff, deputy special counselor to the president for NAFTA in the White House, and as a White House fellow.

Following Secretary Campbell's testimony, we will begin our second panel with Dr. Robert Sutter of Georgetown University, and Dr. Robert Herman of Freedom House. Dr. Sutter is visiting professor of Asian studies at the School of Foreign Service at Georgetown. Prior to this position, he specialized in Asian and Pacific affairs and U.S. foreign policy in an American government career spanning 33 years. He's published 17 books, numerous articles and several hundred government reports dealing with contemporary East Asian and Pacific countries and their relations with the United States, including his most recent book, "The United States in Asia."

Dr. Robert Herman is presently director of programs for Freedom House. He has traveled extensively throughout Asia over the past 20 years as both an NGO representative and also as a U.S. government official. He has more than 25 years of experience in democracy promotion and human rights, and his work in Asia has taken him to India, Nepal, Bangladesh, China, Japan, South Korea, Sri Lanka and Thailand.

And, gentlemen, all three of you, we appreciate your coming today and we look forward to these discussions.

And at this time I would like to introduce into the record a statement of Senator Inhofe, the ranking Republican on this committee, who is at this moment in an Armed Services committee hearing -- may come later, but we would like to introduce his statement at this point.

And Secretary Campbell, we greatly appreciate your taking the time to be with us today, and the floor is yours.

**MR. CAMPBELL:** Chairman and staff, thank you very much for the opportunity to appear before you today, and thank you very much for your leadership -- continuing leadership on Asian issues. I'm very grateful for the chance to lay out at a strategic level, at the outset, the goals and ambitions of the Obama administration when it comes to Asia. I'd like to suggest that I'd put my testimony into the record, and then proceed with some specific comments --

**SEN. WEBB:** Without objection --

**MR. CAMPBELL:** -- and then we can get --

**SEN. WEBB:** -- your full statement will be entered into the record at this time.

**MR. CAMPBELL:** Thank you -- and we can get down to some specifics, if we could, Senator.

First of all, just at a very strategic level, Senator, I would suggest to you one area that we are in profound agreement is the issue about American engagement in the region. I think if you asked many Americans today, "What is the central focus, regionally, of American foreign policy," they'd say it's South Asia.

**Now, there's obvious reasons:** We have huge stakes in the ongoing challenges in Iraq, and Afghanistan, and Yemen and elsewhere, but I would imagine that in 20 or 25 years, when we look back on this period, I think it will be very clear that the central arena of historical and strategic challenges and opportunities for the United States is actually in the Pacific; and that one of the things that President Obama and Secretary Clinton and Secretary Gates I think recognized at the outset of a new administration is that the United States needed to step up its game in Asia.

Now, occasionally there have been suggestions that this has been discontinuity with previous administrations in terms of the overall focus. I don't think that's the case. I think there is a strong bipartisan commitment to Asia with specific steps and values that have animated our overall engagement for decades. I think the biggest change in the Obama administration has been an attempt to step up the intensity, to step up the level and the frequency of engagements.

And one of the things that we've seen over the course of the last several months are high-level visits not only of the secretary for trips to Asia during her first year, although the fourth slightly aborted because of the ongoing challenges in Haiti; a presidential trip to our treaty allies in China during his first year and plans for subsequent travel.

And then a number of initiatives -- many, frankly, influenced by your own encouragement: an attempt to put in place a more pragmatic approach in terms of diplomacy towards Burma; the secretary's signing of the Treaty of Amity and Cooperation; an intention on the part of the United States to play a more active role in the multilateral institutions of Asia; a recognition that the 1990s, most of that architecture was trans-Pacific, including the strong role of the United States more recently; I think concerns that some of the movements and dynamics were more Pan-Asian; and a very clear intention, made specific when the secretary was in Hawaii last week, that the United States wants a role more actively in the multilateral frameworks that are emerging in Asia; a very substantial attempt at comprehensive partnership with Indonesia; and the first-ever U.S. ASEAN summit.

I think, in addition, the administration is putting together -- some would say that it's taken a while, but has put together an economic and trade strategy associated with both TPP and the -- (inaudible) - - Free Trade Agreement -- we can talk about those dimensions in our give and take -- and I think also an attempt to put forward a comprehensive strategy for dealing with and engaging China, one of the most complicated, challenging bilateral relationships that the United States is involved in, and has many different facets, as you've already underscored, Senator.

And so I think there has been a recognition that the United States needed to step up its game, and I think we've attempted to do so in the Asia-Pacific region overall. And I think there is a sense in Southeast Asia with our allies and with China that the United States is in fact in the midst of that as we go.

I think you've also underscored, Senator -- and we recognize it -- that Asia is a tremendously diverse region. There are varying degrees of political, economic and strategic developments. Issues associated with democratization, human rights are a mixed bag, frankly. And, in fact, in many countries, some of which you've indicated, we've seen some backtracking, and some of that backtracking is worrisome.

Towards that overall picture, I think the United States -- not just this administration but previous administrations -- have attempted to put together a coherent overarching regional strategy that recognizes the diverse ingredients that make up this dynamic region and to recognize that the overall strategy requires a diverse toolbox.

And if I might just say, as we speak now, Senator, Secretary Clinton is giving a speech on Internet freedom, which is actually, in many respects, designed to deal with this new tool and the role that it has played in developing openness in a variety of countries globally, not just in the Asia-Pacific region. And of course the issue of Google in China will figure prominently in her overall remarks.

I think we recognize that it is essential and there is an expectation and historical record that human rights and democracy promotion is and should be a component of every one of our bilateral relationships in Asia. Some of them are different. They are varying in scope and intensity, but we believe that that is critical. And you've seen more recently specific indications of that.

Bob King, the recently confirmed representative for North Korean Human Rights Issues, has made an important trip around the region and he is actively involved in our diplomacy towards North Korea. I think there's a recognition in this administration that we cannot separate any diplomatic initiative in North Korea from the human rights -- very concerning human rights situation in North Korea.

We also are involved in a dialogue to establish a new kind of human rights dialogue between the United States and China to deal with a number of the issues that you've laid out and others, and I think there are concerns that the United States continues to promulgate in our bilateral settings.

We also are in the midst, as you well understand, Senator, of the first phases of a strategy to begin direct discussions with the authorities in Burma. It's too early to give a report card on that effort but we recognize that this is a critical period, 2010, with the intention of the government to hold elections at some point later this year. There is also a desire, when it comes to issues global or regional issues of democratization and human rights, to raise these matters, not just in a bilateral setting but to raise them in regional fora.

So, for instance, Secretary Clinton raised issues of concern, particularly in Burma but not just in Burma in a regional context, and to our satisfaction we've seen a number of other countries like Indonesia, the Philippines increasingly talk about values and shared interests in a way that we think is very reinforcing. And, of course, those general tenets and beliefs are the foundation of our strong and deep partnerships with countries like Japan and South Korea, Australia, the Philippines, Thailand and others.

Just as we go to questions now, Senator, I would say that I think the United States can take some general satisfaction about the historical trends. If you look at what has transpired since 1975 in Asia, largely due to a very strong American presence, providing a security guarantee and the ability for countries to overcome historical animosities, regional rivalries, anxieties about military competition, this strong American presence and the consistent message about the importance of the dignity of individuals has led to, really, historically unprecedented results in the Asia-Pacific region.

Large numbers of countries have trended democratic. Millions of people have been lifted out of poverty. A number of indicators suggest that the forward wheel of progress has been more significant in Asia than perhaps any other place on the planet. And the United States can take some satisfaction that we played an important role in this historical trend.

There is much yet to be done. I think Senator Inhofe's very important statement underscores that, by many indicators, we have seen backtracking in several states. There are a number of countries that still have very disappointing human rights records and treatments of religious and ethnic minorities.

It is incumbent on the United States not only to step up its game in the Asian-Pacific region in terms of the level and intent of our diplomacy, but also as you prod us to do, to try to be consistent

across economic variables, strategic variables and the like, and that is what we are attempting to do as we go forward.

And, again, I thank you for the opportunity for this dialogue today, Senator, and for making sure that Asian issues are not neglected amidst the already, you know, full agenda of health care and developments in Afghanistan and the like. So thank you for that.

**SEN. WEBB:** All right, thank you for your comments and also for your written statement, which, as I said, is part of the record. And let me begin by saying how much I appreciate the efforts in this administration, from Secretary Clinton's initial decision to make her first visit to Asia, and to -- as you put it, to put Asia -- East Asia back on the map in terms of focus of the American people, as you and I have discussed on a number of occasions.

We have spent so much emotional energy and blood and treasure with the situations in Iraq and Afghanistan over the past seven or eight years that Americans tend to think -- when they look at Asia they tend to think principally of China, and on a good day maybe China and Japan, but it is really important for people in this country to understand the larger dynamic at play in terms of our national interests, and the countries of ASEAN, which number at probably 650 million people, added up, and the future that we should be having -- the growing future that we should be having in trade commerce as well as security issues.

So we'll make sure that at the outset of this discussion that we're having today that I reemphasized how vital this region is and how positive I think in general our relations are. We have some very serious questions of immediate concern -- we'll talk a bit about those -- and then we have the question that doesn't really get raised that often, which is the principal reason that I decided to hold this hearing, and that is the importance, from a United States' perspective, of ensuring that the countries in this region know that we do have a consistency in terms of how we approach these issues of, as you put in your testimony, the promotion of democracy and the respect for human rights.

And let me just start by -- let's just make sure we know where we are on these issues in terms of country by country. First, there is a difference in our discussion that doesn't -- it is not clarified enough, in my view, and that is between human rights issues and evolution of democracy issues. They're two separate issues. We tend to lump them together in our discussions.

But if we are -- I'm going to read from your statement -- "intrinsic to our engagement policy is an unwavering commitment to American values that have undergirded our foreign policy since the inception of our republic. The promotion of democracy and human rights is an essential element of American foreign policy." This is from your written statements.

I'd assume you would agree that there is a difference between issues of human rights and the evolution of democracy when it comes to systems. Those are -- they are compatible goals but they are two separate approaches, would you agree?

**MR. CAMPBELL:** I would, Senator, and I would even go further than that. I think there are many elements of a comprehensive strategy associated along the lines that you have laid out, that it's not just human rights, it's not just democracy promotion; it is the role of the rule of law, the role of civic society. And so there are many measurements, and in fact many tools that one looks for as part of a comprehensive engagement with states that are struggling along this path to development.

**SEN. WEBB:** Could you review for us the extent to which we have been promoting democracy in a country like China?

**MR. CAMPBELL:** Would you like me to describe this primarily in this administration or --

**SEN. WEBB:** In terms of government policy rather than aspirations.

**MR. CAMPBELL:** I would say, first of all, in my experience, in every single high-level meeting that I've been part of, either with the president or the secretary or my own interactions, the subject of

human rights has come up in every single meeting. Many times those interactions can be extensive and quite tense.

They range not only from treatment of groups within China to specific cases -- individuals.

In addition, I think that there has been an attempt to understand the historical trends that are at work in China and to appreciate, for instance, the role of the Internet and how the Internet is playing. There are more Internet users in China than there are outside of China. There's a huge, growing number of bloggers, recognition that although there is substantial censorship inside the country, many Chinese users believe that this capability, this technology has provided them the ability to raise concerns about corruption, about health care, and the like.

When President Obama visited China in November, he held the first-ever cyber town hall in which tens of millions, probably close to a hundred million Chinese interlocutors and citizens had the chance to receive his comments and see his views on line.

I think the matter that you have raised about, for instance, the Uighurs in Cambodia, that issue was raised not just with the Cambodians -- and I do fundamentally agree that the pressure brought on Cambodia was substantial -- but we have also raised it with Chinese interlocutors.

So I do believe that this is an issue that is part of our strategic dialogue with China. Chinese interlocutors expect it. It would be an enormous mistake for any administration to neglect this critical dimension of our foreign policy. I think it is also the view of, particularly President Obama and Secretary Clinton, that not only is it important to talk about these values but to live them.

So when the president talks about specific issues, he believes it's extraordinarily important to be consistent on issues like Guantanamo and torture and the like. And so he's been very clear with interlocutors, both domestically and internationally, that he believes that the United States itself has to stand by a higher standard.

So I would just say, Senator, that the administration believes that these issues are of central importance. They are not stand-alone issues. They have to be taken in consideration with a broad range of issues such as China's role in the fledgling financial revival, the strategic issue arising from Chinese military capabilities, a very dynamic Chinese strategy to play a larger role not just in Southeast Asia but Asia as a whole.

And so it's very clear that, to have a successful strategy towards China -- and that's an enormous challenge -- this has to be part of that overall strategy, but it can't be a stand-alone issue either.

**SEN. WEBB:** All right. Let me give you my reaction to that statement and ask you another follow-on question.

Those were -- those are all valid points. They basically go to human rights issues rather than democratic systems issues, which sort of is illustrative of the concern that I was just mentioning. And it's not just -- this isn't just to go into the China situation; it's to talk about fundamentally whether we have a consistent policy that people in all countries in Asia can understand.

You mentioned Internet access. And I agree with you that it's a great tool in terms of getting information in and elevating the public consciousness. You can see it also in Vietnam. I think there are now 40 million Internet users in Vietnam. Per capita, probably, is as even higher than China.

At the same time, we know of the situation last week where Google announced that they'd been the target of cyber attacks. They confirmed that it came from within China. They've also made statements that this is a general pattern, not simply designed toward Google and not necessarily designed toward economic interests -- business interests.

And at the same time, there was an article in the Washington Times yesterday indicating that the administration had downgraded the level of concern about Chinese activities. Rather curious timing in terms of administration policy.

With respect to -- staying on the human rights question for a minute -- with respect to human rights situations inside China, these are the numbers that I received from my staff from the State Department's report on human rights. Vietnam has probably estimated 35 political detainees, perhaps, as high as 400 according to Human Rights Watch. Burma has 2100 and that includes political prisoners, merchants, violators of state security laws, and those convicted of religious disturbances.

China has, quote, tens of thousands of political prisoners remaining incarcerated. And the number of Tibetans detained in the months following the 2007 protest is estimated at 6,500 -- more than 6,500.

So before we get even to the question of democratic systems or how we articulate our desire to see democratic systems in these very different countries, as I pointed out in my opening statement, we do have serious concerns on human rights issues. And I know that the State Department and others are watching them.

But they are serious. And they do go to the standards that we apply no matter what governmental system happens to be in place.

The second question is more a question, I think, of pragmatics, but it's not unimportant in terms of how people in the region and in the world view the United States -- the credibility of what the United States says when it talks to one country or another about governmental systems. To my knowledge, we have never suggested to the Chinese government that they hold reelections or have minority political parties or any of those sorts of things, nor have we in Vietnam -- at least since the Paris peace talks of many, many years ago, as I mentioned, in the Hanoi government signed on to internationally supervised elections -- pre-elections in 1973. That's not been a part of the formula when we -- realistically and pragmatically, we shouldn't -- I'm not saying today we should stand up and say that.

But if you're in another country where the United States is taking a different line, you look for the consistency. And I think that's what the comment was all about from the former Indian minister that I mentioned in my opening statement.

And you see countries like Thailand, which are very involved, I mean, in terms of individual freedoms, free press. I mean, even after the coup, the local elections took place. You see a lot of pressure from the United States -- cutting off different types of government- to-government relations.

And then we see the situation in Burma -- and I want to go very clear. I'm not trying in any way to defend the actions of the military junta. We're trying to figure out a way to open up dialogue.

But when you see these sorts of inconsistencies, if you were something sitting in Southeast Asia right now, how would you explain what the overall objectives are of the United States in terms of governmental systems?

**MR. CAMPBELL:** It's a powerful question, Senator, and I'll try to answer it in a couple of specifics. And I think your overall point about that one of the most important dimensions of American policy in its implementation is to make sure that you're both realistic and pragmatic.

So when I talk about the number of factors that come into play in terms of the formulation and execution of policy, let's take a few specifics. You talked about Vietnam -- a country that you have forgotten more about than I will ever know. So I recognize that I'm treading into an area of profound expertise.

But if you look historically in the period before diplomatic -- (inaudible) -- we laid out some very clear things that we wanted the government to do both in terms of closing of re-education camps, some specific issues associated with its neighbors, and some steps associated with the economy.

I would say, over the course of the last several years, we've seen some enormous progress in a number of areas in Vietnam.

Extraordinarily dynamic economic performance. Perhaps rivaling and exceeding capabilities and progress in other places in Southeast Asia and in parts of China. Very important. Very impressive.

Growth of certain kinds of civil society and certain religious freedoms in recent period has been extremely important, and an important dimension, Senator, that we have not discussed is what is the attitude of the government towards the United States.

The truth is unlike some countries; at best Burma is ambivalent about the United States, at best. It's leadership. I know of a few countries who are more actively interested in a better relationship with the United States than Vietnam. Something that you know very well.

So on -- in the plus ledger some very important positive developments that the United States needs to recognize as we look at a larger strategic framework that you know again better than I do in Asia, but at the same time frankly in the recent period we have been worried and concerned by some developments that we've seen domestically in Vietnam.

What we try to do in that dialogue is again recognizing that no cookie cutter like approach works. We have to sculpt each strategy towards each bilateral relationship. It's to make very clear to our Vietnamese interlocutors that we too want a better relationship. We too want to work more closely together, but some of the domestic problems, not just human rights, but the lack of progress in certain areas societally that you underscore make it difficult for the United States, but over the course of the last 15 or 20 years through suggestions from the United States we have seen enormous progress on a variety of fronts in Vietnam.

Burma is a very different case, Senator, and I think one that you know well. Burma has had elections. Those elections have been overthrown. I think one of the things that we could argue about and could debate, I think in the past perhaps the leadership of Vietnam perhaps was not as interested in the welfare of the people. Through a variety of interactions, including those of yourself and others in the United States, although we still have a repressive communist regime, clearly a greater interest in the welfare economically of its people than 15 or 20 years ago.

I am not sure we've yet seen that corner turned in Burma. I think there are some very substantial concerns about how its leadership views the people, the quality of life of the people, issues associated with ethnic minorities, treatment of legitimate politically elected groups, and on top of that attitudes towards the United States and concerns about proliferation.

And so what we try to do, Senator, when we look at each country is look at the full range of issues that we are confronting, but at the same time what we're trying to do under your encouragement is to be more pragmatic and to improve our standing across the board and to recognize that, you know, we must engage with the world as we find it, not always as we wish it to be, and we seek improvements in each situation according to what's possible, what's pragmatic, and what's achievable.

**SEN. WEBB:** Well, let me first say that if you looked at Vietnam in 1991 when I first started going back there, you wouldn't see much difference from the attitude in Burma today among government people. They're very isolated. They were a part of the Soviet sphere. They were, you know, getting billions a year from the Soviets. They were suspicious of the outside world. We didn't have trade relations because of the trade embargo that followed the communist takeover, which I supported by the way as you know for many years. I changed my mind in the mid-'90s and early '90s once the Japanese lifted their trade embargo, but certain of the conditions that you mentioned really are a product of isolation, and when you have small opportunities, the smartest thing to do is to take them

and to see if you can build something on them, which is actually what happened in Vietnam, and Vietnam is not perfect.

I mean, Vietnam doesn't allow -- it's far from perfect, but it doesn't allow an opposition party. I don't want this whole testimony to get into a discussion between Vietnam and Burma because --

**MR. CAMPBELL:** Yes.

**SEN. WEBB:** -- there's many, many other issues for us to discuss, but the best way for the United States to be understood inside these isolated countries is to do what we can according to the precepts which we believe as a nation to open up those societies and let them see the outside world. And a concern that I have is if you, on the other side of this, is that if you or if we as a nation tolerate certain activities by closed systems that have a great deal of power, as with some of the recent activities from China, then these emerging governments will see that there is no accountability for negative behavior, and as a result will continue in the other direction.

For instance, we just saw very recently in the last couple of weeks in China and then in Vietnam the decision to imprison certain dissidents who were essentially speaking their minds as much as anything else.

What would your thoughts be about that sort of behavior?

**MR. CAMPBELL:** Thank you, Senator. I agree. Just back on one point. I agree with your statement about Vietnam in 1991, but what we saw throughout the 1990s were occasionally dramatic but most often incremental steps by the leadership in Vietnam, a direct communication with the United States about a desire to have a better relationship and over a period of 10 years that relationship was fundamentally transformed largely due to the encouragement of people like you and Senator McCain and others who shed blood and committed themselves to a profound engagement with that country.

We are attempting to take that first step with Burma, again with the encouragement of people like you, but I do want to underscore that one can't dance on the dance floor alone. We've been very clear about the things that we're prepared to do. We've communicated them at a high level, and Senator, I must say you know this, we've done some of those things already.

We are looking for some clear signals from the junta about their intentions on the way forward, and so I fundamentally, violently agree with your logic here, and we acknowledge that we're at the very beginning of this process, but this will not be a one-way affair. We will need to see reciprocal steps, even if those steps are small ones, and we think it's important.

So I completely agree with you more generally. On the issue of --

**SEN. WEBB:** Let me just --

**MR. CAMPBELL:** Please.

**SEN. WEBB:** If I may having visited Burma last August and having met with all their top leadership and it had subsequent meetings in the United Nations here. I was a part of that journey in the '90s with Vietnam, and people are right. Burma is not Vietnam. Vietnam is not Burma. At the same time the process as you correctly say is a gradual process over time, but it was not simply the government of Vietnam deciding that they wanted better relations in the early '90s. They had faced a situation with the demise of the Soviet Union where they were not receiving the same support financially and otherwise from the Soviet Union, but there was a lot of resistance inside the government of Vietnam to moving forward, and it was very important for people at a lot of different levels to bring the mid level people from the Vietnamese government out, the future leaders, to allow them to see with their own eyes the way that the rest of the world was working and to do a lot of other things.

So I didn't see a complete resistance in the Burmese government, and this is not the appropriate place for the discussion, but -- and I would say that looking at the situation, I have seen some positive movement in terms of how they are dealing with Aung San Suu Kyi and her political party and having met with a number of groups here too as well. So I just -- I didn't want to --

**MR. CAMPBELL:** Yeah.

**SEN. WEBB:** -- to let that go without some sort of a reaction to it. It's by no means a slam dunk, but I don't think you're out there on the dance floor all by yourself either.

**MR. CAMPBELL:** I don't -- I didn't mean to indicate that I was. What I was trying to indicate to you was that when the United States articulates a strategy, a desire to engage, whether it's in North Korea or it's in Burma, there is an understanding that we will be pragmatic. We will demonstrate where we can be flexible, but we expect results. And I would be the first to say that I think we see at least some signs that we're looking for to follow up on, but it is also the case, Senator, if we're both honest, that it's still too early to tell, and much more needs to be done.

On your earlier point about a variety of developments in Southeast Asia and also in China in terms of treatment of both dissidents and minority groups, I think it is incumbent on the United States to raise those issues at the highest levels. I think occasionally -- and again I'm relatively new to the State Department to be perfectly honest. We have dialogues internally with senior level people, and we sometimes discuss and debate about what is the most appropriate way to manage and handle situations.

Is it better to be outspoken and public? Is it better in certain circumstances to use the quiet channels of diplomacy? And truth be told, probably the most successful strategies involve elements of both, and that's what we've tried to do across the board.

So there have been times where we think it's important to speak out loudly and clearly in circumstances in China and other parts of Southeast Asia, and there have been other circumstances where we think it perhaps is more prudent and we'd have a better chance of getting the short-term achievements that we're looking for by managing things quietly and carefully behind the scenes.

I mean, that is the essence of diplomacy.

It also leads often to substantial second guessing, which I understand, but I think what's important to underscore is that I would say that I spend a substantial part of every day thinking about both individual cases and also questions of state policy when it comes to these critical matters.

**SEN. WEBB:** You mentioned something in your oral remarks that I think it's worthwhile to follow up on and I'd like to hear your specific thoughts on, and that is that, as we both know, as all of us in this room know, Asia is really moving toward multilateral relationships and it's a positive. I see it as one of the great things that's happened in East Asia in the post-World War II period.

If we are desirous of promoting certain types of governmental behavior, it would seem to me that the best way to do so, along with our economic and cultural interests, are to reaffirm our relationship with countries like Japan and to build partnerships that demonstrate the validity of the way that these systems work. What are your thoughts on that?

**MR. CAMPBELL:** Thank you. I really appreciate the question. Let me try to answer it in two parts, and I'll do the last part first. I think there's a recognition now, and again, this is not new. It's something that you see consistently over several administrations, but we have a much greater chance at success at major initiatives if we bring our partners, like-minded partners, along. So, for instance, you know, yes, there's a lot of debate about a particular base in Japan.

We don't need to get into that, but the truth is if you look at what Japan has done over the course, Senator, of the last several months in a variety of areas, it's really almost unprecedented, and they've gotten remarkably little credit for it. Who today is the largest provider of aid in Afghanistan? It's Japan,

a \$5 billion commitment, largest by far. They pay the salaries of most of the policemen and other critical parts of the civic society in Afghanistan.

Which country stepped up with the United States at Copenhagen to say, look, yes we can talk about limits. We can talk about quotas, but let's talk specifically about the urgent programs that will be necessary to deal with the poor that will bear the burden of climate change. Japan.

Which country has been helpful in terms of piracy prevention in the gulf of Aden? Japan. Which country immediately after the Secretary's announcement of the Mekong Initiative, stepped up with resources to try to help support this overall effort? Japan.

We're trying to work with Japan and a new Korea government that has adopted a more outward profile, sort of global Korea, much more interested in the promotion of shared values and expectations. We're trying to work with other like-minded states in the Pacific as we step up our game, something that you've talked about.

We're proud we've opened up USAID offices. We're working more closely with our partner nations on development objectives in the Pacific. These programs extend not just to Japan and Korea and Australia, but increasingly to India, a country that is now demonstrating a greater desire to play a role in the issue of the Pacific region. So no element of American policy could be more important, in my view, than the sort of value-added multiplicity associated with not working alone but working with other like-minded states and, Senator, I've gone so long - this shows how you out of step I am. I've forgotten your first question. So I apologize. (Laughs.)

**SEN. WEBB:** You answered it.

**MR. CAMPBELL:** Did I? All right, I think I answered the second question.

**SEN. WEBB:** Well, I totally agree with you. We tend to forget in this country the amazing story of Japan since the end of World War II in terms of its form of government and the economic energy, the vitality of its culture and the contributions that the Japanese have made alongside us in many, many areas, so I would very much appreciate your observations.

**MR. CAMPBELL:** I just remembered the point that you made about multilateralism and about institutions in Asia. I think there is a general perception that, you know, there's this tendency to want to compare Europe and Asia, and although Asians are very polite, one of the things they hate is when people come and explain how their institutions are inferior to European institutions, or different.

The biggest and most pleasant surprise I've had since -- there have been many, but one of them since coming to office has been to see the dramatic progress that an organization like the ASEAN regional forum has made in just a short period of time. It's much more serious, much more focused on the critical issues that define the region, and the United States wants to be part of that.

When we talk, Senator, about the great achievement institutionally, ASEAN, it seems to me that what you are describing, this inconsistency, this difficulty in kind of coherence, is occasionally not simply exhibited or demonstrated by the U.S. government. You see it actually in the region as a whole and so there is this desire in ASEAN to act in a unified, collective, coherent way, but one of the challenges that ASEAN has faced in recent years is the dramatic differences between their government structures and their outlooks.

And so we see, increasingly, gaps developing between emerging dynamic democratic states like Indonesia and countries like Burma that are still struggling at a much different level of development and so, for us, we think one of the reasons why it's important to promote these shared values and goals is that ultimately for ASEAN to be effective, to be the dominant institution of Asia and when you talk about, you know, ASEAN Center, it's not just, you know, some modest success.

ASEAN, southeast Asia's economic performance in terms of overall trade exceeds economic interaction with Europe, and I don't think that's appreciated or well known by most Americans but for

the organization to be successful, it has to have a greater leveling effect and the only way that that happens, I think, over time, is if there is shared aspects and aspirations associated with sort of government attitudes and the like.

**SEN. WEBB:** I would agree. At the same time, one of the precepts in ASEAN is that if you remember, you are treated equally inside ASEAN, as a member, it creates something of a difficulty for the efforts that we have been looking at here in terms of putting together a free trade agreement with ASEAN, which is something I believe would be beneficial to the country if we were able to do it. I say that because of the situation with sanctions in Burma at the moment, but as we move forward in the region, again, we've got this two-headed difficulty here, the two parts that seem to collide on all issues of policy and that is, on the one hand, we must be pragmatic as a nation and on the other hand we cannot retreat from the values that we espouse and that goes to systems of government.

And there's an old saying in Asia many years ago. I remember when people were discussing some incidents in China during World War II, did you kill the chicken to scare the money? You know, you take a small incident and it has larger reverberations, and if we are not consistent in how we deal with these incidents, such as locking up dissidents and these sorts of things in a country like China, then the rest of the region does not believe we're serious about what our policies really are. Would you not agree?

**MR. CAMPBELL:** I agree with that, Senator.

**SEN. WEBB:** I appreciate very much your coming today. This is, I think, a fresh opportunity to try to bring some consistency into our policies and, again, I thank you for your testimony.

**MR. CAMPBELL:** Thank you, Senator.