NBR ANALYSIS

Shock of the New: Congress and Asia in 2009

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Foreword

The 111th Congress and the Obama administration have come into office in the midst of the worst financial crisis our nation has weathered since perhaps the Great Depression. Looking beyond the economic downturn, the United States is also faced with daunting policy challenges in health, the environment, and national security that cross international boundaries. Now more than ever before, successful policy responses will require cooperation between the United States and Asian nations.

For twenty years The National Bureau of Asian Research (NBR) has sought to bridge the gap between the academic and policymaking worlds. As part of our effort to inform and strengthen the policymaking process, NBR works to connect members of Congress with the latest research and analysis on Asia. This publication, "Shock of the New: Congress and Asia in 2009," marks our most recent effort to provide members and their staff with a thoughtful look at the issues facing the new Congress.

We are particularly pleased to bring together two experts who epitomize the bridging of the academic and policy worlds. Authors Edward Gresser and Daniel Twining both have extensive knowledge of Asia as well as experience in the development of U.S. foreign policy. Their insights on the critical challenges and opportunities facing the 111th Congress in the Asia-Pacific will no doubt be useful to U.S. policymakers as well as to anyone interested in Congress and the future of U.S. foreign policy in the region.

In addition to our authors, NBR would like to thank its institutional sponsors, especially Chevron and the Henry M. Jackson Foundation, for their support of independent analysis and assessments, which has made this latest issue of the *NBR Analysis* possible.

Richard J. Ellings President The National Bureau of Asian Research

Shock of the New: Congress and Asia in 2009

Edward Gresser & Daniel Twining

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Note: The authors thank the two anonymous reviewers for their valuable advice on improving the essay. The authors alone are responsible for the essay's content.

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Executive Summary

This essay overviews the many immediate critical challenges and opportunities related to the Asia-Pacific region facing the 111th Congress while also suggesting a longer-term strategic U.S. approach.

Main Argument

Congress and the administration must not only address specific Asian issues during this financial crisis but also develop a long-term agenda to manage rapid change in Asia. This will require conceptual adjustment, energetic and creative U.S. leadership, and international commitment at a time when the American public is disillusioned with conflict abroad, alarmed by economic distress at home, and more concerned about domestic than international affairs. Congress can play a critical role in promoting policies that allow the U.S. to shape and lead an emerging Pacific century, including strengthening the U.S. position by bolstering relations with core allies, reshaping international institutions to ensure that China and India assume major-power obligations as well as rights, intensifying engagement in Southeast Asia, and shaping a global agenda that addresses the public's concerns while maintaining the U.S. commitment to open markets, alliances with democracies, and multilateralism.

Policy Implications

- The primacy of the financial crisis and Democrats' focus on domestic issues may make
 Asian affairs appear less urgent; however, dangerous flashpoints and shifting balances of
 influence will present the new Congress and administration with early challenges and
 major long-term choices. These might be exacerbated by rifts within the party or between
 the Congress and president over issues such as trade.
- Addressing the global financial crisis will require coordination and cooperation with Asia's large (and trade-dependent) economies to avoid protectionism, export subsidies, and currency devaluation. More generally, the pressures of the financial crisis could render small disagreements and misjudgments explosive and contribute to greater social instability in the region. U.S. policymakers must carefully weigh the potential political fallout in the region from their economic policy choices.
- Addressing state weakness in Pakistan and Afghanistan, as well as the potential flashpoints
 of Taiwan and the Korean Peninsula, requires that the U.S. enhance relations with core
 allies while continuing to integrate India and China. Congressional support for these
 relationships, as well as for U.S. military, economic, and diplomatic leadership in Asian
 relations, will help determine the U.S. role in an emerging Pacific century.

he United States has new policymakers; modern Asia presents them with novelties. The continent's weight in industry, science, finance, and trade is greater than at any time in American memory. India and China, Asia's long-stricken giants, are reassuming their historical role as two of the world's largest economies. East Asian governments are developing regional institutions, especially in economics and finance, that have no modern precedent and often do not include the United States. The habits of mind U.S. policymakers brought to the affairs of the largely rural, turbulent, and poor Asia of the 20th century may not fit the more urban, peaceful, and middle-class Asia of the 21st.

Revising ideas and approaches for a new era will require imagination, hard work, skill, and the sort of international commitment that is in short supply, as Americans, disillusioned with conflict abroad and alarmed by economic stress at home, feel a strong pull toward inward-looking policies in immigration, trade, and global politics.

This tension—between a changing world requiring energetic and creative U.S. leadership and a weary, anxious public more concerned over domestic than international affairs—appears in the U.S. relationships with Europe, the Middle East, Africa, and the Americas as well as with Asia. Asia's rapid political evolution and economic dynamism, however, present more complex challenges than those of most regions. Nonetheless, the Asia-policy foundation built in the later 20th century provides a strong foundation for a 21st-century strategy through a variety of mechanisms:

- strengthening the U.S. position by bolstering relations with Japan and other core allies
- reshaping international institutions to accommodate China and India and ensure that they assume major-power obligations as well as major-power rights
- intensifying U.S. engagement in Southeast Asia with long-standing allies, new democracies like Indonesia, and new security partners like Vietnam
- shaping a global agenda in security, environment, finance, and trade that addresses the American public's concerns while maintaining the historic U.S. commitment to open markets, alliances with democracies, and multilateralism
- promoting domestic policies to sustain competitiveness and innovation and ease adjustment in a globalized economy—which, though beyond the scope of this paper, are as important as the international agenda in constructing an Asia policy that is successful abroad and durable at home

Congress performs a critical role in ensuring broad-based U.S. engagement with friends, partners, and institutions across wider Asia—a role that not only responds to developments but also shapes Asia's emerging economic and geopolitical landscape. Congress can wield its power of the purse to target foreign assistance in ways that best serve the national interest—especially in the Pakistan-Afghanistan crucible. Congressional committees with jurisdiction over trade and finance can ensure that the United States sustains its commitment to promoting an open international economy—a goal more challenging, but also more important, in economic crisis—while assisting the weakest economies and coordinating responses to the crisis with other big economies. Congressional armed services committees will make important decisions to strengthen U.S. military alliances and partnerships in Asia while supporting forward-deployed U.S. military forces at a time of force realignment and a tightening defense budget and in the context of potentially destabilizing strategic change in Asia. Congress will also play an essential role in fashioning balanced U.S. policies that reflect the nation's commitment to advancing human rights, economic liberty, and democratic governance abroad as sources of security and prosperity at home.

This essay is organized into three main sections. The first puts U.S.-Asia relations in context, providing overviews of the Democratic-controlled Congress, the global financial crisis, and the rise of Asia to global leadership. This is followed by a second section that delves into the specific issues and relationships that the new Congress will need to address as it helps shape U.S. policy toward Asia in the coming two years and beyond. A third section offers conclusions. Finally, as a testimony to Congress' general awareness of the importance of Asia, an Appendix lists the wide variety of congressional working groups and caucuses related to Asia.

The Context of U.S.-Asia Relations

The United States: Democrats in Charge

It is in the new monarchies that difficulties are found.

-Machiavelli, The Prince

The 2008 election made Barack Obama the first Democratic president to enjoy a popular-vote majority since 1964, and gave the 111th Congress the largest Democratic majorities since 1978. At home, Democrats envision using their new power to pursue an ambitious legislative agenda centered on health care reform and energy security and sustainability. Abroad, their priorities include a climate change agreement and the challenge of relations with the Muslim world. Politically, Democrats will be anxious to

avert intra-party splits that might threaten their new majority. They are also likely to frame early initiatives in light of the financial crisis that began last fall.

This larger context means Asian affairs, though not downgraded in importance, will appear less urgent. When Congress turns to the subject, the task will be eased by valuable inheritances—a transformed U.S.-Japan alliance, a new strategic partnership with India, the remarkable success of Indonesian democratization, a strategic framework for U.S.-China relations, stabilizing relations between Taiwan and China, civilian rule in Pakistan, and expanding relations with Vietnam. Yet as 2009 passes, Asia may present Congress with enough problems to make up for these bits of good fortune. An incomplete list from east to west could include:

- the stalemate in the six-party talks on North Korea's nuclear program
- an unratified free trade agreement with South Korea
- stresses on the economic relationship with China, ranging from macroeconomic policy to food and product safety
- Burma's downward spiral toward failed-state status
- the farm policy disputes with India that stalemated the WTO Doha round
- tension between India and Pakistan after terrorist attacks in Mumbai last fall
- a potential Pakistani economic crisis
- a resurgent Taliban along the Afghanistan-Pakistan border.

To these challenges, Democrats bring both new blood and experience. Sixty-five new members join the House and the Senate, many grappling with Asian affairs in detail for the first time. But senior figures like Senator Max Baucus, chairman of the Senate Finance Committee; Senator John Kerry, chairman of the Senate Foreign Relations Committee; Representative Howard Berman, chairman of the House Foreign Affairs Committee; and Representative Charles Rangel, chairman of the House Ways and Means Committee, are deeply experienced in Asia policy and well-acquainted with Asian leaders. Republicans such as Senator John McCain, the ranking member of the Senate Armed Services Committee, and Senator Richard Lugar, the ranking member of the Senate Foreign Relations Committee, have bipartisan track records on Asian affairs and will likely be able to work with the Democratic majority.

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New perspectives may, however, clash with experience, and Democrats may have to choose among priorities—for example, in re-emphasizing multilateralism in foreign policy and in responding to anxiety over trade. Most Democrats are multilateralists, want a strong anti-poverty component to foreign policy, and will view new tensions with Asian states as undesirable. Yet although Democrats generally see a social dimension of trade policy, including labor and environmental standards, as ethically important, the party's populist wing is often uncomfortable with trade liberalization and can view social aspects of trade policy as a defense against advantages drawn from low labor and environmental standards in poorer countries. With public opinion polls showing that the American public is anxious over global economic pressures after nearly a decade of weak job creation, Democrats may seek a reorientation of trade policy, especially regarding China. Moreover, though most Republican party leaders, including outgoing president George W. Bush and 2008 presidential candidate McCain, are staunch freetraders, global economic stress is also visible within the Republican ranks, emerging both in controversies over direct investment in the United States from China and the Middle East and sometimes in trade relations with China.

The Crisis

Misfortune overtook her like a storm.

-Nguyen Du, Kim Van Kieu

The largest issue Congress confronts as 2009 begins is the financial crisis. This year appears likely to be the United States' worst for unemployment and economic contraction since the mid-1970s, and Asia is faring little better. World Bank forecasts—continually being revised downward—show regional growth dropping sharply and outright recession in Japan and Singapore (see **Table 1**). The *Economist* magazine's gloomier projections, as of January 2009, show the economies of South Korea, Hong Kong, and Taiwan contracting as well.

The human side of these numbers is already apparent. In the once roaring boomtowns of Guangdong, half of the toy and shoe factories have closed and millions of migrant workers have lost work. In small and fragile Cambodia, 30 of the 400 garment factories clustered around Phnom Penh closed this year, idling 30,000 of the country's 360,000 industrial workers, as orders dropped by a third. Taiwanese exports in December dropped by a stunning 42% from 2008 levels. The World Bank estimates

TABLE 1: End of a Boom—World Bank Gro

	2007 (%)	2008 (%)	2009 (%)
World	3.7	2.5	0.9
Wealthy Asia	2.3	1.4	0.3
New industrial economies	5.6	3.7	2.0
Developing East/Southeast Asia	10.5	8.5	6.7
South Asia	8.4	6.3	5.4

 $SOURCE: "World Economic Outlook 2009," World Bank, http://siteresources.worldbank.org/INTEAPHALFYEARLYUPDATE/Resources/550192-1228753265300/EAP_dec08_execsummary.pdf.$

that the crisis will end the hopes of approximately 5.6 million Asians to escape poverty by 2010.1

Though a divided Congress has passed a large fiscal stimulus bill, the U.S. government will not cure the crisis through purely domestic measures. Any successful response requires cooperation at least among the United States, Japan, South Korea, China, and Europe, and perhaps India as well. These big economies must launch and, if possible, coordinate fiscal stimulus to replace lost private sector demand with public demand. Furthermore, with trade already declining, these economies must also discipline themselves to avoid protectionism, export subsidies, and currency devaluation—which if launched in any big economy could easily spark a beggar-thyneighbor competition like that of the 1930s. With Asia's trade-dependent economies always highly vulnerable to a protectionist turn in the United States, Asian governments are watching especially closely for shifts in U.S. policy on trade and investment.

So far the record is mixed. The United States, China, and Japan have all launched fiscal stimulus packages in the hundreds of billions of dollars. Yet these packages do not seem coordinated, and Europe has done even less. Meanwhile, although no leading economy has yet imposed major protectionist measures, the call at the group of twenty (G-20) meeting last November for completing the Doha round and imposing a "standstill" on protectionist measures yielded no results on Doha and did not prevent some early (WTO-legal) tariff increases in developing countries. House and Senate debates in February over "buy American" restrictions on fiscal stimulus projects revealed similar tensions in Congress, with Congress placing some restrictions on foreign bids but also pledging to remain in compliance with WTO obligations.

¹ "World Economic Outlook 2009," World Bank, http://siteresources.worldbank.org/INTEAPHALFYEARLY UPDATE/Resources/550192-1228753265300/EAP_dec08_execsummary.pdf.

Asia: Return to Leadership

A new willow leaf, born from midnight rain.

—Hongnang, "I Chose This Branch"

The largest immediate issue Congress faces will be the financial crisis. The largest long-term challenge may be the conceptual adjustment U.S. policymakers must make to Asia's revival.

Americans are accustomed to seeing Asia as old and culturally rich, but relatively weak, unstable, and poor. Asians often view the "normal" state of their region quite differently. Until 1800 about three-fifths of the world's commerce and production took place in and around China and India—as did much of the world's scientific and technological progress, including the classical Chinese invention of paper, explosives, and printing and medieval India's launch of modern mathematics. As late as the 1820s, when Andrew Jackson planned the first U.S. diplomatic mission across the Pacific, Asia still accounted for over half of global GDP.²

Over the next 150 years Western technology and industry left Asia behind, while European, and later Japanese, imperialism destroyed indigenous political systems. By the 1970s, after the Cultural Revolution in China and decades of India's self-imposed economic isolation, Asia's share of the world economy had fallen to roughly 15%—likely the low point in human history. The United States' contemporary mix of Asia policies—alliances with Japan and Korea, engagement with China, supportive non-official relations with Taiwan, and support for ASEAN (Association of Southeast Asian Nations)—consolidated in precisely this period.

Asia's fortunes then changed. Regional politics have stabilized: the thirty years since the 1979 Sino-Vietnamese war mark the longest unbroken peace among major Asian powers since the seventeenth century. Societies have been transformed: city dwellers—the drivers of growth around the world—are now the majority of the Asian population. Economies have revived: Asian economies have been lifted by savings and education, export success, and, more recently, integration, as trade barriers fell, infrastructure improved, and Northeast Asia's wealthy, technologically sophisticated economies shifted much of their industrial production to giant, low-cost China. More recently, India has emerged as the world's second-fastest-growing major economy. Asian science has recovered as well, with Japan, Taiwan, and Korea enjoying some of the world's highest ratios of research spending to GDP, and Asian businesses and

² Angus Maddison, *The World Economy: A Millennial Perspective* (Paris: Organisation for Economic Cooperation and Development, 2001), 263.

research institutes filing twice as many patent applications in the United States as their European counterparts.

Asia's share of world GDP accordingly has doubled in a generation, from 17% in 1980 to 32.5% today. **Table 2** illustrates this transformation by charting Asia's place in the world economy at the inaugurations of Presidents Reagan, Clinton, George W. Bush, and Obama.

Economic and cultural revival is in turn reshaping Asian politics and diplomacy. Asia has grown geographically "bigger," as India builds economic, diplomatic, and security ties to its East and Southeast Asian neighbors. Additionally, Asian countries, like European states in the 1950s and 1960s, are growing comfortable in setting their own agenda without U.S. participation, as institutional innovations and summits like ASEAN +3 and the East Asia Summit show.

To be sure, Asian countries should not—and generally do not—see the world as a bed of roses, plum blossoms, orchids, and lotus. Regional great powers continue to see one another as potential rivals.³ "Frozen conflicts" in the Taiwan Strait and on the Korean Peninsula, if mishandled, could bring major powers into direct military confrontation. Asian growth relies too heavily on tapped-out U.S. consumers and too little on domestic demand, while depending more heavily on volatile Middle Eastern and African energy suppliers than does the United States. East Asia's populations are aging more rapidly than that of the United States, creating demographic constraints on economic growth and power projection. The environmental stress on China and India is a challenge greater than anything the West experienced during its modernization.

Yet as with the Asian financial crisis of 1997–98, these are challenges rather than impassable obstacles. The rural, impoverished, and weak Asia of the twentieth century is gone, and senior U.S. policymakers who came of age during the Cold War need to adjust.

Asian resurgence does not, however, mean U.S. decline or marginalization any more than European recovery did a generation ago. The United States retains strong relationships with every Asian power, and partnership with the United States remains important to all Asian states' ambitions. U.S. prestige and power in science and technology, military affairs, and culture remains second to none. The basic policies of an earlier era—alliances with Japan, South Korea, and Australia; engagement with

³ For excellent overviews, see Brahma Chellaney, Asian Juggernaut: The Rise of China, India, and Japan (New Delhi: HarperCollins, 2006); and Bill Emmott, Rivals: How the Power Struggle Between India, China and Japan Will Shape Our Next Decade (London: Harcourt, 2008).

TABLE 2: Asia at the Transition Points

	Reagan 1981	Clinton 1993	Bush 2001	Obama 2009
Asian share of world GDP (%)	17.2	22.5	26.4	32.5
Asian share of U.S. patent filings (%)	13.4	25.0	23.5	27.6
Asian share of urban population (%)	40	46	48	50
East Asian absolute-poverty rate (%)	78	51	35	16*
South Asian absolute-poverty rate (%)	59	47	43	40*

SOURCE: For share of GDP, see Global Economic Trends Database, International Monetary Fund (IMF), November 2008; for patent filings, see "Number of Utility Patents Filed in the United States, by Country of Origin, Calendar Year 1965 to Present," U.S. Patent and Trademark Office, July 2008; for urban population data, see "World Urbanization Prospects," 2007 Revision, UN Population Bureau, http://esa.un.org/unup/index.asp; and for poverty rates, see *Poverty Data: A Supplement to World Development Indicators 2008* (Washington, D.C.: World Bank, 2008), http://siteresources.worldbank.org/DATASTATISTICS/Resources/WDI08povertysupplement.pdf for poverty rates.

NOTE: Absolute-poverty values indicate share of population living on \$1.25 or less daily in constant 1993 dollars. Asterisk indicates value is for 2005 rather than 2009.

China; a robust non-official relationship with Taiwan; and partnership with Southeast Asian states—retain support in Congress and from the American public, and thus remain a solid foundation on which to build a more comprehensive architecture of peace and prosperity that will continue to privilege U.S. leadership. In these circumstances, the United States will remain central to, rather than marginalized by, a new Pacific century.

Issues and Relationships

In administering kingdoms, though some things appear rational on the surface, one has to consider a hundred thousand things behind every act.

-Babur-nama

The financial crisis may dominate policymaking in 2009 but will not be the only issue Congress and the administration consider. We divide the issues confronting the United States into five categories: flashpoints, relationships with core partners, emerging giants, Southeast Asia, and global problems. The financial crisis may make addressing these issues more difficult in a number of respects. Small diplomatic disagreements and misjudgments could be rendered more explosive. Slowing growth or economic contraction could create social instability, which could in turn lead to interstate tension and conflict. Furthermore, the policy agenda Asia presents is so broad that without strategic vision, major policy aims—peace and security, poverty reduction, trade

liberalization, reducing greenhouse emissions—may clash and undermine, rather than reinforce, one another.

Flashpoints

Asked what presented the greatest challenge for a statesman, British Prime Minister Harold Macmillan responded in his typically languid fashion "Events, dear boy, events." —Harold Bering, review of Never Had it So Good: A History of Britain from Suez to the Beatles

Beneath the veneer of strategic stability, Asia has multiple flashpoints that can rapidly bring crisis, including Pakistan and Afghanistan, the Taiwan Strait, the Korean Peninsula, Tibet, and Burma.

Pakistan and Afghanistan. Congress will have a decisive voice in shaping the Obama administration's Afghanistan strategy. The construction of long-term military facilities in Afghanistan and the possible military surge of 30,000 additional U.S. forces will require major new congressional funding commitments. An effective counterinsurgency strategy to protect the Afghan people and separate them from the Taliban, however, requires not just the security provided by expanded military presence but a program to strengthen governance, expand the writ of the Afghan state, and build an economy that provides genuine opportunities for Afghans now vulnerable to Taliban recruitment. Congress will play an indispensable role in authorizing and funding a comprehensive plan to promote good governance, institutional accountability, and long-term economic development in Afghanistan. Denying al Qaeda safe haven in Afghanistan is necessary but not sufficient, given the risk that state failure could enable new terrorist sanctuaries or wider regional conflict.

The safe haven enjoyed by Taliban militants and al Qaeda terrorists in Pakistan's ungoverned frontier regions means that a strategy for victory in Afghanistan requires getting Pakistan right—one of the hardest challenges confronting the United States in 2009. Congressional oversight will be crucial for defining a policy that (1) strengthens civilian democracy and regulates the autonomous power of the military and intelligence services, (2) creates a political economy that provides economic opportunity and vests Pakistani society in the defeat of violent extremism, (3) helps Pakistan's armed forces develop the capabilities to defeat the Islamist insurgency along the Afghan-Pakistani frontier and incentivizes them to do so, and (4) promotes cooperation among Afghanistan, Pakistan, and India in ways that advance regional peace, create a political foundation for economic integration, and support state-building in Afghanistan.

A key challenge for U.S. policy toward Pakistan lies in preventing near-term crises from undermining these strategic goals. The need to secure Islamabad's support for U.S. military operations in Afghanistan from 2001 produced a policy that for too long supported military rule in Pakistan at the expense of the country's moderate majority the United States' natural partner in the struggle between tolerance and fanaticism. Legislation sponsored by Senators Kerry and Lugar, modeled on that introduced in the last Congress by Lugar and current vice president Joseph Biden, would make a longterm U.S. commitment to strengthening Pakistan's educational, judicial, and political institutions. Swift congressional consideration could make the legislation a centerpiece of a rebalanced U.S. assistance program that also devotes necessary resources to training and equipping the Pakistani military to conduct counter-insurgency operations against militants in the tribal badlands of Pakistan's North-West Frontier Province. There is growing support in Congress for appropriately conditioning continued high levels of military assistance to ensure that such support advances U.S. counterterrorism objectives. These include building the capacity of the Pakistani armed forces to conduct effective counter-insurgency operations and severing all links between the military/ intelligence establishment and terrorist groups, including Lashkar-e-Taiba, implicated in the November 2008 terrorist attacks in Mumbai.

Given that Pakistan today is on the brink of economic crisis, political and security policy cannot be separated from economics. Before the crisis the country already suffered from high unemployment, 20% inflation, and an education, health, and energy infrastructure unable to meet the needs of a surging population. Now Pakistan's financial reserves are depleted, exports are flagging, and tensions with India have further undermined international investment. Economic collapse in a country with a large and virulently anti-Western extremist movement, a population bigger than Russia's, and nuclear weapons is a nightmare scenario for U.S. security.⁴

In these circumstances Congress has several economic levers beyond bilateral and multilateral assistance. Perhaps most important, and certainly offering the most rapid benefits, Congress could expeditiously consider legislation to create "reconstruction opportunity zones" offering duty-free status to Pakistani imports. Senator Maria Cantwell offered such a proposal last year, though it was geographically limited to Afghanistan and Pakistan's border provinces; a broader option, introduced in 2002 by Senators Baucus and McCain, recommended duty-free status for products made throughout both countries, without major product restrictions and with less stringent conditionalities. Congress will consider such ideas as it revises U.S. tariff-preference

⁴ David E. Sanger, "Obama's Worst Pakistan Nightmare," New York Times Magazine, January 11, 2009.

programs this year, and has a major opportunity to benefit the economies of both Pakistan and Afghanistan, increase employment in both countries, and make an important contribution to building a political economy of peace rather than militancy along their unstable frontier.

North Korea. The Bush and Clinton administrations made denuclearization the top priority in policy toward North Korea. Both provided substantial material assistance to North Korea without making progress on human rights a priority, despite strong congressional urging and acute concern in Tokyo over the fate of Japanese citizens abducted by the North. Both Democrats and Republicans in the new Congress will suggest that ultimately, and perhaps soon, the new administration's decisions must be measured against actual near-term success in denuclearization.

Working with Japan, South Korea, Russia, and China, the Bush administration succeeded in multilateralizing what under the Clinton administration had been bilateral negotiations with North Korea, an important procedural success. Yet this success came at a cost: Pyongyang leveraged Washington's desire for a deal to undercut U.S.-Japan cooperation, thereby creating a breach between the United States and its best Asian ally that the Obama administration will need to heal. Moreover, the policy cannot be judged a success: the North Korean regime tested nuclear weapons in October 2006 and has not yet fulfilled obligations to disable and dismantle plutonium-based nuclear facilities.

North Korea excels at brinksmanship. Regime security is Pyongyang's core goal, and North Korean elites will continue to pursue a strategy that combines blackmail and the potential for progress on denuclearization to secure U.S. and international resources. The new administration and Congress should not be surprised if Pyongyang precipitates a crisis, perhaps in the near term, to elevate its importance in a crowded U.S. foreign policy agenda. Such a crisis could include a second nuclear test or escalation of military tension with South Korea or Japan.

As the six-party process continues, Congress may want to consider promoting a more balanced U.S. approach to North Korea by enlarging the negotiating agenda to include North Korea's conventional force deployments and human rights issues. The United States could expand international broadcasting into the isolated country, condition fuel oil and food aid to require greater transparency in delivery of assistance, and strengthen efforts to resettle North Korean refugees abroad. Pyongyang's illicit sales of nuclear and missile materials to dangerous regimes also call for heightened interdiction efforts both through the Proliferation Security Initiative and through

intelligence-sharing and other cooperation with Japan, South Korea, China, and Russia.

Taiwan Strait. Tensions between China and Taiwan join North Korea as the likeliest cause of great-power conflict in Asia. Cross-strait relations have improved dramatically, however, following Ma Ying-jeou's election in 2008 as president of Taiwan on a platform of closer commercial and people-to-people ties with the mainland. Looking ahead, Washington has an opportunity to enjoy good relations with Beijing and maintain commitments to Taiwan in ways that preserve the island's political autonomy and secure its democracy, while supporting warming cross-strait relations.

Congress has played an important part in all these goals since normalization of U.S.-China relations in 1979. Under Democratic and Republican leadership, Congress has mandated a robust U.S. political and security commitment to Taiwan, ensuring that the Taiwanese people have the choice to define their own future free of coercion. This will likely remain the case in 2009 and 2010. Despite improving cross-strait relations, China's missile deployments across the Taiwan Strait have not diminished, and Chinese military modernization amplifies the imbalance of power between Beijing and Taipei, thereby undermining the status quo. In these circumstances, the United States' regional allies do not want U.S.-China conflict over Taiwan but also view Washington's continuing commitment to the defense of Taiwan as a measure of U.S. credibility in Asia. While supporting constructive U.S.-China relations, the 111th Congress can help sustain a robust U.S. commitment to Taiwan. Such a commitment would both incentivize China to continue pursuing its "peaceful rise" and hedge against any effort by elements in Beijing to generate nationalist support at home through tensions with the island as China's economy slows and leadership concerns over social unrest grow.

Tibet. Tibet joins Taiwan as a source of regime insecurity in Beijing and a flashpoint in China's foreign relations, dramatized by China's abrupt cancellation of an EU-China summit over unhappiness with the reception of the Dalai Lama in Europe.⁵ Possible popular unrest, coinciding with the 50th anniversary of the Chinese invasion of Tibet in 1959, could produce near-term crisis—as could the death of the Dalai Lama, who has been in poor health, or his designation of a successor not approved by the Chinese government. The rise of a new generation of Tibetan nationalists not committed to the Dalai Lama's "middle way" of peaceful dialogue in pursuit of autonomy rather than independence from Beijing makes events less predictable and more likely to invoke

⁵ François Godemont, "China's Apparent Cost-Free Slight to Europe," CSIS Pacific Forum, PacNet, no. 65, December 9, 2008.

a violent Chinese reaction, as seen in the crackdown on monks and other peaceful protesters after the Lhasa uprising in March 2008.

The Tibet issue also risks increasing tension between China and India.⁶ Some Indian strategists fear that China may act to preempt, or respond to, an announcement by the Dalai Lama of his chosen successor in India—including in Tawang, site of one of the holiest shrines in Tibetan Buddhism—by deploying the People's Liberation Army to occupy contested territory along the Sino-Indian border, as occurred in 1962. China has become more assertive regarding border claims in the past two years and has been extending road and rail networks across the Tibetan plateau in ways that tilt the balance of forces along the contested frontier in China's favor. Both Indian external affairs minister Pranab Mukherjee and former Indian national security advisor Brajesh Mishra recently warned China against any attempt to seize Indian-held territory including the Indian state of Arunachal Pradesh, which some Chinese strategists refer to as "southern Tibet." Congress has been a driver of U.S. Tibet policy for several decades and is likely to remain so. Its traditional strong support for the Dalai Lama and the cause of human rights in Tibet has been expressed in multiple resolutions supporting the basic rights of the Tibetan people as well as in the mandate to open a U.S. consulate in Lhasa. Congress could extend such support both by expanding scholarship programs for Tibetan students and through other initiatives to strengthen people-to-people ties while maintaining the U.S. commitment to the rights and welfare of the Tibetan people. Congressional activism on Tibet makes clear to Chinese leaders that the American public, like that of other major democracies, cares deeply about the plight of the Tibetan people—and that Tibet remains a major issue in China's relations with the United States as well as with other foreign partners.

Burma as failing state. After years of congressionally led efforts to sanction Burma's military dictators and refute the claim that their suppression of democracy is a purely internal matter, the UN Security Council in 2006 discussed Burma as a threat to international peace and security. In 2008 French foreign minister Bernard Kouchner invoked the norm of the "international right to protect" in order to urge international intervention to stem Burma's humanitarian crisis from government inaction following the devastation wrought by Cyclone Nargis. Beijing has been the regime's primary outside supporter, and New Delhi has adopted a similar policy of engaging the regime.

⁶ D.S. Rajan, "China: Rising Pitch for a War with India to Recover Arunachal Pradesh," South Asia Analysis Group, Paper, no. 3016, Jan. 17, 2009, http://www.southasiaanalysis.org/papers31/paper3016.html.

^{7 &}quot;Rajnath Flays Centre over Handling of China," *Hindu*, January 30, 2009; and "Ties with China Can Become Difficult: Brajesh Mishra," *MSN.com*, January 29, 2009, http://news.in.msn.com/national/article.aspx?cp-documentid=1808926.

Yet even some Chinese and Indian leaders began to acknowledge after the harsh crackdown on peacefully protesting monks in September 2007 that Burma was a source of regional instability. India, for example, imposed an arms embargo. Southeast Asian states, led by Indonesia and the Philippines, increasingly view Burma as a regional problem that limits the clout of ASEAN and exports illegal narcotics, refugees, disease, and insecurity to the country's neighbors.

Nonetheless, the limits of the influence of a divided international community were on vivid display after Cyclone Nargis, when the world's democracies, the United Nations, and ASEAN appeared impotent to effect change at a moment of regime vulnerability. The continued imprisonment of Aung San Suu Kyi and other democratic leaders and the staying power of the junta have led to calls for a new approach to Burma that would leverage greater engagement with the regime to create more space for civil society and broad-based economic growth. Given extensive state control of the economy, however, and the role of rent-seeking and corruption in sustaining the regime and its cronies, enhanced levels of direct foreign assistance could further empower the junta, as seen in its profiteering from humanitarian assistance delivered after Cyclone Nargis.

To date, neither engagement with the regime by ASEAN, China, and India nor Western sanctions have slowed Burma's descent. As Congress considers ways to pressure the junta to engage in genuine negotiations with the democratic opposition—including pressing for an international arms embargo on Burma—the best source of guidance will be Suu Kyi, winner of the country's last legitimate election, who has continued to support tough international sanctions. A vigilant Congress can ensure that any international "roadmap" offering direct assistance to the Burmese regime has strong conditionality; requires the release of political prisoners, including Suu Kyi; and is benchmarked to the regime's willingness to undertake genuine negotiations on power-sharing toward a political transition with the country's democratic leaders. Appointment of a U.S. special envoy for Burma, as called for by the 110th Congress, would be helpful in defining a coordinated international strategy to move the regime toward political liberalization and ease the suffering of the Burmese people.

⁸ Daniel Twining, "India's Relations with Iran and Myanmar: 'Rogue State' or Responsible Democratic Stakeholder?" *India Review* 7, no. 1 (January 2008): 1–37; and Michael Green and Derek Mitchell, "Asia's Forgotten Crisis: A New Approach to Burma," *Foreign Affairs* 86, no. 6 (November/December 2007): 147–58.

⁹ Wayne Arnold, "Surprise Pressure from Myanmar's Neighbors," New York Times, November 20, 2007.

¹⁰ "Burma/Myanmar after Nargis: Time to Normalise Relations," International Crisis Group, Asia Report, no. 161, October 20, 2008, http://www.crisisgroup.org/home/index.cfm?id=5734&l=1.

Core Partners

He whose ranks are united in purpose will be victorious.
—Sun Tzu, *The Art of War*

To meet these specific challenges and to shape Asia's larger evolution, the United States needs the strongest possible relationships with its Pacific allies. Congressional guidance and support will be essential as the core U.S. alliances with Japan, South Korea, and Australia—crucial to managing China's rise, dealing with North Korea, preserving U.S. leadership, and sustaining regional peace—develop into partnerships that operate globally.

Japan. The rise of China and India can obscure Japan's enduring power, which is grounded in vast financial resources, technological leadership, and the potential to leverage both these qualities to rapidly develop and deploy advanced military capabilities. Employing the alliance to help Japan realize its great-power potential, however, remains challenging on account of Japanese domestic politics, Japan's difficult relations with some neighbors, and self-doubt about the nation's leadership and future role as China rises.

In terms of diplomacy, in order to encourage Japan to punch its full weight internationally and expand its influence as a great Asian democracy for the common good, Congress could support efforts to create and strengthen institutions that promote Japan's international leadership. Options include UN Security Council expansion to seat Japan as a permanent member and further multilateralization of U.S.-Japan alliance cooperation to include key partners such as Australia and India, with which Japan signed bilateral security agreements in 2007–08.

Japanese leaders remain concerned that closer U.S.-China cooperation, bilaterally or in new institutions such as a Northeast Asian peace and security mechanism emanating from the six-party talks, could undermine the alliance as the centerpiece of U.S. policy in East Asia. The United States has a growing range of interests, and strategic frameworks for discussing these interests, with Beijing. The qualitative nature of U.S. relations with Japan and China, however, is fundamentally different. The relationship with China rests upon a common commitment to avoid conflict, cooperate in areas of common interest, and prevent disputes from shaking the overall relationship. The U.S.-Japan alliance is rooted in shared values, six decades of close security cooperation, and shared perceptions of world order. The importance of the alliance is growing, not diminishing, as the center of gravity in the international system shifts toward the Pacific.

Congress can help ensure that U.S. efforts to build better relations with Beijing are always preceded by close consultations with Tokyo and matched by substantive progress in U.S.-Japan alliance cooperation. Similarly, Congress will rely on senior members to balance specific concerns—regarding historical issues such as treatment of U.S. prisoners in World War II, whaling, and trade frictions—with efforts to strengthen the alliance to meet 21st-century challenges and promote shared ideals.

In terms of military deployment, Congress can also help reduce alliance frictions generated by the U.S. military bases in Okinawa by fully funding the "Roadmap for Realignment" to relocate some eight thousand Marines and family members from Okinawa to Guam, reducing the burden of host-nation support, and modernizing the U.S.-Japan alliance to manage regional contingencies. More broadly, given the rapid development of China's blue water navy, the expanding range and sophistication of its combat air power, and its ballistic and cruise missile capabilities, the Congressional Armed Services and Appropriations committees will have to make hard but necessary choices to fully resource U.S. power-projection capabilities in Asia, especially with regard to air and naval assets based in Japan, Korea, and Guam. Although this will be expensive, the risks to sea lane security, the prospect of destabilizing arms races, and the potential for military conflict in East Asia stemming from the erosion of U.S. deterrent capabilities would ultimately be more costly, as well as deeply harmful, to vital U.S. interests. Congress must ensure that all U.S. service members forwarddeployed in the Pacific theater have the capabilities they need to deter conflict and prevail over any possible adversary, including the protection of effective missile defenses.

In terms of economics, Japan's visibility in U.S. trade and finance has receded; direct dollar counts of U.S.-Japan trade are now well below figures for Canada, Mexico, and China; and trade disputes have become rare. Nonetheless, the U.S.-Japan economic relationship remains much larger than many realize. In export-dollar terms, Japan trails only the United Kingdom as an export market for U.S. services and is the United States' fourth-largest manufacturing export market and third-largest agricultural export market. More importantly, trade data now is inadequate to measure the actual scale of U.S.-Japan economic relations.

Much trade between the United States and Japan now proceeds through deep investment networks and collaboration in services and technology rather than through traditional country-to-country trade. Japanese firms remain easily the largest international suppliers of cars to the United States, though they now produce many of these cars in America; most consumer electronics sold in U.S. malls are counted as imports from China and Malaysia but are often DVD players and TV sets manufactured

on contract for Japanese firms; and with Japanese animation and games wildly popular among American teenagers, no country but the United Kingdom contributes as much as Japan to American popular culture.

In policy terms, the most likely area for near-term activism would be in coordinating financial stimulus. A new trade initiative, however, is also possible. This might be a high tech and services bilateral agreement (or a three-way agreement involving the United States, Japan, and Europe) addressing not traditional industries and perennial disputes but, rather, newly invented services and approval procedures for new technologies, among other issues. The concept has some influential congressional backing—notably in comments by Baucus and suggestions from members of the Ways and Means Committee—but will require leadership from the Obama administration.

South Korea. President Lee Myung-bak is eager for a closer strategic and economic relationship with the United States. The shared challenge is to strengthen the economic foundations of U.S.-South Korean relations; cooperate more closely in regional diplomacy, including in the realm of promoting good governance and human rights, which South Korea has been eager to do through leadership in the Asia-Pacific Democracy Partnership and other initiatives; and shift the military alliance from its focus on defending against North Korean aggression—which remains a necessary but not sufficient ambition—to conducting regional and global operations. Washington and Seoul have conducted Strategic Cooperation for Alliance Partnership talks in an effort to define and operationalize a broader role for the alliance in regional and global affairs. Congressional support will be important to this initiative.

The pending U.S.-Korea Free Trade Agreement (KORUS) likely will present the most important legislative decision the 111th Congress makes on Asia. South Korea is the United States' seventh-largest trading partner and the world's thirteenth largest economy. The country is one of the largest sources of and markets for semiconductors, a major investor in U.S. industry, and a large services trade partner—with Seoul companies, for example, providing contract animation for *The Simpsons* and other popular cartoons. Approval of KORUS would place a policy foundation beneath this relationship and likely accelerate its growth.

Congressional approval of KORUS stalled over disputes on South Korea's ban on imported beef and automobile trade. With beef imports partially reopened, this issue is not wholly resolved but seems manageable. The automotive debate revolves around fears expressed especially by Ford and the United Auto Workers, and backed by most House Democrats, that the agreement will not sufficiently address non-tariff trade barriers. The weak state of U.S. automobile firms has heightened these concerns.

The question for Congress will be whether to approve this agreement. If it does, Congress will need to carefully address the residual beef issues and manage the weakened auto sector, perhaps through a delay in auto-chapter implementation or some other revision of the auto portion. If the agreement is not approved, both Congress and the administration will need to consider how to deal with the likely damage to strategic relations. Outright U.S. rejection of the agreement would not only pose risks to the U.S.-South Korea alliance but also raise broad Asian concern over the U.S. commitment to regional leadership. Approval, on the other hand, would significantly strengthen relations with South Korea and advance U.S. interests across Asia by ensuring that the United States remains integrated in the pivotal region where four great Pacific powers—South Korea, Japan, China, and Russia—meet.

Australia and New Zealand. Australian troops have fought alongside U.S. forces in Afghanistan since 2001 and in Iraq from 2003–08, demonstrating the transformation of the U.S.-Australia alliance into a global partnership. Despite this record of accomplishment, China's rise and emergence as Australia's largest trading partner has created a degree of tension in the alliance—notably over the issue of Australia's role in the defense of Taiwan and participation in military exercises with the big Asia-Pacific democracies. Australian officials and strategists nonetheless consider the U.S. alliance the central pillar of Australian security, and Australia's security pacts with Japan and Indonesia demonstrate Canberra's recognition that liberal democracies remain its natural security partners.

The United States also enjoys very close economic relations with Australia. Since the approval of a free trade agreement in 2005, trade with Australia has grown rapidly, and few disputes or difficulties have emerged. Australia's main trade priority, given the importance of agricultural exports and the absence of subsidies, is the Doha round. There may also be opportunities, especially with American Samoa delegate Eni Faleomavaega chairing the House Foreign Affairs Committee's Subcommittee on Asia, to work with Australia and New Zealand in order to ease economic stress and political instability in the Pacific island states.

Concerts of democratic cooperation. In a strategic environment characterized by shifting power balances and the need for multilateral solutions to many challenges, the United States and Asian partners are exploring like-minded concerts of security cooperation in wider Asia. These include the Trilateral Strategic Dialogue among the United States, Japan, and Australia; the Trilateral Coordination and Oversight Group among the United States, Japan, and South Korea; the quadrilateral partnership among the United States, Japan, Australia, and India; and a structured strategic dialogue

among the United States, Japan, and India.¹¹ This exploration also holds at the global level: NATO formally inducted Japan, South Korea, Australia, and New Zealand as dialogue partners in 2006, and policy planners from the United States, Britain, France, Germany, Italy, Japan, South Korea, and Australia met in 2008 to undertake joint strategic assessments bridging the Atlantic and Pacific. In the non-security realm, the Asia-Pacific Democracy Partnership unites democracies in support of free elections and good governance across the region.¹²

Congressional support for U.S. efforts to deepen and expand these networks—especially supporting more robust NATO engagement with Asian partners and fully funding the Asia-Pacific Democracy Partnership—would create a denser web of collaboration supporting the development of a values-based community in Asia.

Emerging Giants

Eagles do not flock like birds of lesser wing. How is the round to fit with the square? How can different ways of life be reconciled?

—Qu Yuan, Encountering Sorrow

China and India are clearly emerging as great powers that seek a decisive voice in governing the international system. U.S. foreign policy should work to sustain the centrality of the United States in the calculations and ambitions of both countries and should thus maximize opportunities for collaboration.

China. China has a stronger economy and warmer relationships with its neighbors than at any time since the Sino-Japanese war of 1895. Yet Beijing's ties with Asia's great powers remain marked by mutual suspicion, and China's larger diplomacy remains torn between competing goals—the desire to be a world power, sharing in the management of global finance and security; continuing penchants to "stand with the developing world" to avoid unwanted obligations, and in some ways free ride on U.S. and allied management of the international system; and leaders' alarm over rural poverty, urban social unrest, and the implications of both issues for the continued political control of the Communist Party. China faces particular dilemmas associated with the country's great dependence on external finance, export markets, and natural-resource supplies,

¹¹ The U.S.-India-Japan strategic dialogue has thus far taken place at the Track 1.5 level rather than officially between governments, with former senior U.S. officials such as Richard Armitage and Michael Green leading the U.S. side.

¹² Yu Myung-hwan, "Human Rights and Democracy," Korea Times, December 24, 2008.

¹³ See, for instance, Susan L. Shirk, China: Fragile Superpower (New York: Oxford University Press, 2007).

as trade constitutes some 70% of national GDP. Furthermore, China's largest national trading partner, the United States, is also the country's most potent military competitor and the power most capable of upsetting China's peaceful rise.

U.S. policy has been reasonably successful over the years in dealing with this complex polity. From Nixon through Clinton and Bush, succeeding administrations have built upon a strategic framework for managing U.S.-China relations that treats China with the respect worthy of a world power, expands areas of functional cooperation, creates frameworks for managing differences that allow cooperation in other areas to continue, and pursues macro-level economic and diplomatic dialogues that sensitize each country to the other's strategic views and concerns. Presidents Clinton and George W. Bush also improved relations with Japan, India, and key Southeast Asian states, thereby creating an Asian regional framework designed to encourage China to behave responsibly by hedging against other possibilities.

The Obama administration will have an opportunity to add its own achievements to this bipartisan endeavor. A successful U.S. Asia policy will sustain good relations with China while strengthening ties with other Asian powers to foster a pluralistic regional order that remains conducive to U.S. leadership and the prosperity that such leadership has underwritten. The United States must be vigilant but need not be insecure about China, whose domestic challenges dwarf those of the United States. The United States enjoys more "soft power" in Asia than any other country does, given Asian appreciation of the public goods the United States provides, the attractiveness of U.S. culture and ideals, and strong people-to-people ties in education, science, and business as well as through links within the diasporas of immigrant families.¹⁴ By contrast, as public opinion polling shows, even though China's image has improved, no Asian public sees China's system as a political model, and many in Asia remain apprehensive about future Chinese intentions.¹⁵ Astute leaders in Congress will recognize China for what it is: a prickly, insecure giant that does not, at least for the foreseeable future, seek confrontation with the United States, shares an interest in sustaining elements of an international system that has been conducive to China's rise, and at the same time seeks a more privileged leadership role within that system.

Growing economic interdependence militates against unconstrained strategic competition. China is the United States' largest source of manufactured imports and

^{14 &}quot;Soft Power in Asia: Results of a Multinational Survey of Public Opinion," Chicago Council on Global Affairs, June 17, 2008, available at http://www.thechicagocouncil.org/dynamic_page.php?id=75.

¹⁵ Michael J. Green, "The Iraq War and Asia: Assessing the Legacy," Washington Quarterly 31, no. 2 (Spring 2008): 181–200, http://www.twq.com/08spring/docs/08spring_green.pdf.

third-largest export market for manufactures and other goods; the United States is China's largest export market and third-largest source of direct investment, and thus a major source of the jobs and growth that support political stability. The relationship between the two countries, however, is also marked by policy frictions—over large imbalances, intellectual property rights, product safety, labor rights, and other topics—which attracted more legislative proposals in 2007 and 2008 than any other Asian issue. In 2009 China policy is probably the most likely subject for congressional action on Asian affairs, with legislation almost certain on food- and product-safety issues and possible on macroeconomics and currency.

The past two years witnessed numerous scandals over lead-tainted paint on toys, adulterated or counterfeit medicines, tainted pet food, and melamine-contaminated foods and toothpaste. Both President Obama and congressional Democrats have called for enlarging the Consumer Products Safety Commission and the Food and Drug Administration as well as for giving them more power to restrict imports and inspect factories overseas. One likely focus will be House Commerce Committee legislation on medicine.

In macroeconomic affairs, the United States and China are the world's two main "imbalanced" traders and investors. The Strategic Economic Dialogue headed by former treasury secretary Henry Paulson was intended to address China's currency policy and encourage a broader shift toward demand-driven rather than export-driven growth. It may have done so in part, as the yuan appreciated by 21% between July 2005 and July 2008 vis-à-vis the dollar and Chinese import growth has slowed. But yuan appreciation has subsequently stopped, and China may view a resumption of export growth as the main option for addressing its own difficulties during the financial crisis. If so, Congress is likely to become more interested in currency-policy legislation, having shelved bills to reshape currency policy in 2008.

India. Although China launched economic reforms more than a decade before India and remains at least that far ahead developmentally, India has important long-term advantages, including a younger population, a superior geographic position astride the world's most important sea lanes, and a political system accountable to its people and capable of managing peaceful change. India views partnership with the United States as a way to accelerate the country's economic and geopolitical rise, giving India the independent capability to advance its interests as a first-tier, pan-Asian power and principal actor in world politics. Even while pursuing an independent course, New Delhi has made a strategic choice to align with the principal (Western) powers in the international system and claim full membership in their clubs. Yet India also remains a developing country with an agenda different from the West on issues

like trade liberalization and climate change. New Delhi faces enormous challenges in developing the human capital and energy security necessary to sustain the country's great-power rise. Competition with China—which has a material dimension but is also a contest for status and prestige—will continue to guide Indian grand strategy as India works both to operate freely in a more multipolar Asia and to cooperate with the United States and Japan in securing the Indian Ocean sealines of communication.

Congress generally sees the development of U.S.-India relations positively. The ratification by the last Congress of the civilian nuclear agreement creates a strong foundation for U.S.-India cooperation in a range of areas—from expanding an already robust defense relationship to cooperating on civilian space and on other issues where technology-transfer restrictions previously constrained interaction between the two countries. With regard to maritime security, India and the United States could expand naval cooperation and exercise more systematically with the Japanese and other friendly navies. Washington should conduct structured and intensive dialogues with New Delhi on the Middle East, terrorism, Afghanistan, East Asian security, and other regional challenges, as well as on global economic issues as Washington does with Beijing.

One area for congressional leadership could be expanding missile defense cooperation with India, which is no longer subject to international sanctions on high technology trade and faces ballistic missile threats from multiple neighbors. As President Obama pursues an international treaty banning nuclear weapons tests, Congress could consider initiatives to offset Indian concerns over signing the Comprehensive Test Ban Treaty. These could come in the form of bilateral agreements to share technology in order to help India secure its nuclear deterrent and to coordinate intelligence on ballistic missile threats. Congressional support for India's aspirations to join global clubs such as the International Energy Agency and the UN Security Council would also be intrinsically valuable and pay dividends as India emerges as an increasingly influential global actor and strategic partner.

Economic relations with India are bifurcated, growing fast in the real world of trade and investment but weighted with frictions in policy. Although the U.S. economic relationship with India remains smaller than that with China, this relationship is growing fast, especially (but not only) in services trade. Policy accord, however, has been elusive—especially at the WTO and in climate change talks, where India views itself as speaking for the developing world and sees trade liberalization and emissions reduction principally as rich-country responsibilities. The most likely congressional legislation, likewise, may be unwelcome in India: potential legislative issues include limits on India's tariff-waiver privileges under the Generalized System

of Preferences (GSP), advocated by Senator Charles Grassley, the ranking member of the Senate Finance Committee, and proposals to limit the "offshoring" of services in government procurement. A more welcome initiative may come in immigration, as high tech firms seek expansion of the H-1B visa program for high tech workers.

Southeast Asia

The inhabitants [of Manila] are always cheerful and are all rich, continually engaged in giving parties and enjoying themselves. [As] Manila is not far from China and Japan, every year ships from all over the world visit for trade and take away good profits.

-Muhammad Rabi ibn Muhammad Ibrahim, Ship of Sulaiman

Southeast Asia, home to eleven states and half a billion people, is increasingly peaceful and prosperous. Although some states remain plagued by insurgencies, internal conflicts, and misgovernance, the region has largely escaped its unhappy earlier role as an arena for great-power conflict. Southeast Asian leaders consistently worry about U.S. loss of interest in their region, often citing a focus on terrorism to the exclusion of other issues. This can be seen not only as a critique of U.S. policy but also as a sign that the region remains friendly to the United States. Most ASEAN members view the U.S. military presence as valuable for stability and security and see the United States as a major—though no longer uniquely important—export market and as an essential source of technology, investment, and education.

In terms of politics and security, the United States has important equities in Southeast Asia, home to treaty allies Thailand and the Philippines as well as security partner Singapore. In addition to supporting enhanced cooperation on counterterrorism and regional security, Congress can continue to focus assistance on building governance capacity and strengthening democratic reform. Congress also remains interested in U.S. engagement in Cambodia and Laos through foreign assistance programs and diplomatic leadership. Both countries have historic opportunities to escape least-developed country status in the next five years, although corruption, weak political systems, and natural resource exploitation risk setting back development and human rights.

Southeast Asia also presents a unique opportunity for a strategic advance. Indonesia is the world's largest Muslim nation and third-largest democracy. The country is a natural leader of ASEAN, seeks to promote good governance and rule of law in the region and in the Middle East, sits astride strategic sea lanes, and is wary of Chinese power. Obama's inauguration marks an unprecedented circumstance—a U.S. president with long personal experience of Indonesia—and has awakened

equally unprecedented enthusiasm for the United States throughout the archipelago. Congress and the administration thus have the opportunity for a strategic investment that combines education, much broader and deeper government-to-government contacts, and people-to-people ties to develop a lasting partnership with this country.

Elsewhere, Vietnam—though still subject to single-party control—with its youthful, dynamic, and pro-American population, shares many security objectives with the United States. Beyond supporting the expanding economic relationship, which benefits the American and Vietnamese peoples, Congress can continue to constructively press Vietnamese leaders to observe freedom of religion, association, and the press as a way to strengthen both Vietnam and U.S.-Vietnam relations. Congress could also expand scholarship programs for Vietnamese students to study in the United States.

In terms of economics, Southeast Asia's economic relationships have shifted sharply during this decade as China has become ASEAN's major export market. As this trend continues, the region's precolonial economic pattern is re-emerging, with Southeast Asia's small and medium-sized states now viewing Europe and the United States as partners on par with China and Japan.

Yet though the gravitational pull of Chinese growth is great, U.S. economic diplomacy has not been inert. Since 2000, the United States has extended permanent normal trade relations to Vietnam and Laos, concluded a free trade agreement with Singapore, and become Cambodia's largest trading partner. As Southeast Asian leaders hedge against overdependence by negotiating trade arrangements of various depth with Japan, India, and the EU, sustained U.S. engagement can preserve the U.S. role as a principal Southeast Asian trade and investment partner.

As with India, the most important trade legislation concerning Southeast Asia in 2009 will address trade preferences. Here, however, congressional activism may be welcome. The GSP, which is the broadest duty-free program, applies to most midrange manufactures but excludes clothes and other high-tariff products especially important to the least-developed countries. This structure makes Thailand, the Philippines, and Indonesia some of the GSP's largest users. The system offers little benefit, though, to least-developed Cambodia and Laos (or to nearby Bangladesh, Nepal, Sri Lanka, and Afghanistan). Several members of Congress, including Representative Jim McDermott and Senator Dianne Feinstein, have suggested granting these countries more extensive duty-free privileges covering clothing. This action may be very timely given the recession and the end of U.S. clothing quotas on China.

Asian Regionalism and Global Affairs

Kings make peace when they enjoy additional gain: from their own peacetime works, from works undertaken by former enemies, and from benefits accruing from the confidence generated by the peace.

—Kautilya, Arthasastra

Asian regionalism. This decade has seen a remarkable growth of Asian regional diplomacy—regional meetings such as ASEAN +3, the East Asia Summit, and the first three-way meeting of Japanese, Korean, and Chinese leaders in Asia's long history. This is a sign of regional confidence that neither the United States generally nor Congress specifically should miss.

Asian leaders often argue that the United States has lost influence in Asia by virtue of its ambivalence toward participation in such regional institutions. Washington faces two challenges with respect to Asian regionalism: (1) defining the United States' place in the larger process of institution-building in Asia by promoting an open regionalism that embraces both sides of the Pacific, rather than a closed, exclusive regionalism that risks becoming Sinocentric; and (2) defining the relationship between existing U.S. Asian alliances and development of new institutional arrangements in a way that is mutually reinforcing.

Asian institution-building is likely to continue regardless of U.S. preferences. The United States would benefit, however, by being present at the creation of these institutional frameworks and playing an active role in shaping and leading them in ways that reinforce peaceful cooperation, open regionalism, and good governance. By doing so, the United States would both meet the expectations of the majority of Asian nations that welcome a U.S. presence and ensure that China does not exploit Asian regionalism in ways that undermine, rather than strengthen, a regional pluralism of power. Congress to date has taken relatively little interest in Asian regionalism but holds an important role in shaping a response. Congress could fund full U.S. participation in activities of the ASEAN Regional Forum (ARF), including in building peacekeeping capacity, and consider whether the United States should sign ASEAN's Treaty of Amity and Cooperation in order to join the East Asia Summit—the broadest diplomatic grouping of Asia-Pacific powers that to date excludes the United States.

Global Issues. Finally, Congress can help the Obama administration advance global priorities in finance, economics, and environmental affairs. The challenges are likely to be greatest in Asia, given the simultaneously large and small role China and India play in global environmental, trade, and financial policy. For the same reason,

success in Asia could be especially rewarding. Both giants are among the world's leading producers of greenhouse gas emissions, fastest-growing traders, and largest financial powers. Both, however, have resisted commitments to reduce emissions, argued that their obligations in the WTO's Doha round should be minor, played little role in the International Monetary Fund (IMF), and remained outside the G-8.

One important issue is climate change. Both the Obama administration and congressional Democrats want an energetic approach to climate change, based on a global commitment to cap and reduce greenhouse gas emissions under an agreement—scheduled for completion by December 2009—to replace the 1998 Kyoto accord. Republicans are less skeptical of the concept than in the past but remain less supportive than Democrats. Democrats join Republicans, though, in the firm belief that China and India must play a commensurate role in reducing emissions. Last year's Lieberman-Warner cap-and-trade Climate Security Act, for example, included a clause imposing "border adjustment taxes" on goods from China, India, and other major non-participants in the Kyoto accord (activated if they refuse to accept any obligations under the successor to Kyoto). The taxes would serve both to create pressure on these countries to join the accord and to equalize extra costs on U.S. industry if they refuse. A competing proposal would impose taxes if China, India, and others refuse to accept emissions-reduction targets identical to those of wealthy countries.

A second key issue is finance. Where global environmental institutions are weak or absent, international financial institutions are antiquated and ineffectual—and in large part because Asia's role in these institutions is too small. The IMF has played only an advisory role in this year's crisis, with too few resources to support or pressure the United States, China, Japan, or Europe, and little contribution in money or policy influence from China, India, Taiwan, and Korea. Consensus seems to be growing in Washington to reshape the IMF by not only increasing the organization's resources but also asking Asian countries to play a larger role in policymaking and provision of financial support.

The G-8 too is fading. At its creation in 1973, the group's then seven members accounted for approximately 55% of the global economy. The share of today's eight members is now close to 40%, and their ability to set policy is correspondingly diminished. The recently convened G-20 adds China, India, South Korea, Australia, South Africa, Brazil, Turkey, Mexico, and several other countries. This has the value of creating a more inclusive group—but so large a group may not function well through consensus.

A third issue is the WTO and trade. The world's leading trade institution is more robust but has been as yet unable to succeed in its main goal, the Doha round. Having begun in 2001 with a completion target of 2004, the Doha round has broken down four times since, most recently in 2008 over arguments between the United States and India, and to a lesser extent with China and Indonesia, over agriculture. Little progress has been made since.

Given controversy over trade among Democrats, contradictory ideas abound on the next steps for Congress. Senior figures like Sen. Baucus and Rep. Rangel have ambitious goals but face internally divided caucuses. Although a trade bill (including legislation on China as well as on trade negotiating objectives) may be debated in 2010, renewal of fast-track or trade promotion authority is not likely until Congress and the administration agree upon the main lines of a negotiating agenda.

In the interim, Congress will need to decide whether to proceed with a trade initiative called TransPacific Partnership (TransPac), launched at the 2008 APEC meeting in Peru and involving both Australia and New Zealand. This initiative is meant to help create common rules for the U.S. system of free trade agreements and keep the United States active in Pacific economic diplomacy as regional forums excluding the United States proliferate. TransPac would link the United States with New Zealand, Australia, Singapore, Brunei, Chile, and Peru in a trans-Pacific free trade area with common rules, including labor and environmental policies. All group members, with the exception of New Zealand and Brunei, are already bilateral free trade agreement partners.

Yet another issue is APEC. The APEC Leaders Meeting this November in Singapore will be the sixteenth since the inaugural session in Seattle. The summits have been a valuable way to build personal relations among leaders and have coincided with a remarkable economic opening in the region. Since the 1997 Information Technology Agreement, however, APEC's direct contribution to trade liberalization has been minor. Congress and the Obama administration will need to decide whether APEC should become more active in policy, as the Bush administration had proposed with a vision of an APEC-wide free trade area. One less ambitious option would be sectoral-liberalization projects in energy and green technologies; another might be shared commitment to duty-free treatment for the Asia-Pacific's least-developed and small island countries, whose economies and political stability will be shaken by the financial crisis.

Conclusion

Something which is incomplete is therefore interesting, and has room for future growth. —Kenko, *Tsurezuregusa*

In Asia, the United States today confronts a different set of challenges than those of the twentieth century—challenges posed by the resurgence of multiple strong states rather than the struggles of weak ones. With imagination, creative leadership, and sound management of domestic affairs, however, the United States can and should remain a strong and influential shaper of this region.

The importance of the United States to the interests of all rising Asian states means that unless an anxious American public chooses insularity over engagement, the United States will not be excluded from the Pacific century. Washington now has strong and often very close relations with key regional powers—Japan, China, India, South Korea, Australia, New Zealand, Indonesia, Malaysia, Singapore, Thailand, the Philippines, Vietnam, and Pakistan—and has better relations with the great powers of Asia than those powers have with each other. Moreover, the United States has "soft" strengths and appeal to Asian populations that challengers will find difficult to match. The emergence of Asian regionalism, though a challenge, is an opportunity to institutionalize new forms of cooperation with rising powers and to build networks that embed the United States at their core. Assuming the United States manages affairs at home—in economics, financial governance, education, competitiveness, science, and adjustment—the U.S. future in Asia should be secure and U.S. leadership will remain in demand.

Looking ahead, Asia's political transformation—with the expansion of democracy from Japan and India to Taiwan, South Korea, Indonesia, and beyond—may prove as important as Asia's economic transformation in determining the region's strategic future. More people live under democratic rule in Asia today than in any other region. China remains the great exception, but with deft diplomacy and wise leadership, vibrant U.S. relations with all of China's neighbors will help sustain a pluralistic regional order in which norms of good governance can flourish; and this over time may shape China's own internal debate on political reform. In such circumstances, problems that seem today so dangerous, complex, and intractable may appear rather different.

APPENDIX: Congressional Member Organizations

United States Senate

Congressional Member Organizations and Interparliamentary Exchanges of the United States Senate

The Senate U.S.-China Interparliamentary Exchange Program

This program was established in 2004 with the aim of exchanging views on Sino-U.S. relations, the Taiwan issue, trade, energy, and other regional and international issues of common concern. The chairs of the program led delegations to China in 2004 and 2006.

The Senate U.S.-Japan Interparliamentary Exchange Program

This program was inaugurated June 17, 2008, and represented the first formal exchange between members of the Senate and members of Upper and Lower Houses of the Japanese Diet. Topics covered included security, missile defense, the wars in Iraq and Afghanistan, the status of the U.S.-Japanese alliance, energy and environmental issues, trade concerns, recent events in China, and the six-party talks concerning North Korea's nuclear weapons program.

The Office of Interparliamentary Services

The secretary of the Senate maintains the Office of Interparliamentary Services to provide support for those interparliamentary conferences in which the Senate participates and to assist senators in international travel. Also under the secretary's direction, the Office of Public Records collects and makes publicly available documents relating to campaign finance, financial ethics, foreign travel, and lobbying. The Interparliamentary Services Office is responsible for administrative, financial, and protocol functions for all interparliamentary conferences in which the Senate participates and for special delegations authorized by the leadership. The office also provides appropriate assistance to other Senate delegations to foreign countries.

United States House of Representatives

Congressional Member Organizations and Interparliamentary Exchanges of the United States House of Representatives

Afghanistan Working Group

The Afghanistan Working Group is a bipartisan member organization established to help heighten congressional awareness of the political, social, and economic issues affecting Afghanistan, resulting in informed policy decisions.

LEADERSHIP:

Rep. Steve Israel (D-NY) 202-225-3335 Rep. Mark Kirk (R-IL) 202-225-4835

APEC Caucus

The APEC Caucus is designed to work with APEC officials and interested stakeholders on issues affecting U.S. interests in the Asia-Pacific region, including trade, energy, finance and investment, climate change, agriculture, food safety, and corporate social responsibility.

LEADERSHIP:

Rep. Joseph Crowley (D-NY) 202-225-3965

Rep. Rick Larsen (D-WA) 202-225-2605

Rep. Kevin Brady (R-TX) 202-225-4901

Rep. Wally Herger (R-CA) 202-225-3076

Congressional Azerbaijan Caucus

The Congressional Azerbaijan Caucus (CAC) was formed in 2004 to increase the understanding of Congress on the geopolitics of the South Caucasus region and to help further develop strategic relations between the United States and the Republic of Azerbaijan.

LEADERSHIP:

Rep. Solomon P. Ortiz (D-TX) 202-225-7742

Rep. Bill Shuster (R-PA) 202-225-2431

House Bangladesh Caucus

The Bangladesh Caucus is a bipartisan member organization established in 2001 to help heighten congressional awareness of the political, social, and economic issues affecting Bangladesh, resulting in informed policy decisions.

LEADERSHIP:

Rep. Joseph Crowley (D-NY) 202-225-3965

Rep. Gary Ackerman (D-NY) 202-225-2601

Rep. Peter King (R-NY) 202-225-7896

Rep. Mark Kirk (R-IL) 202-225-4835

Congressional Caucus on Central Asia

The Congressional Caucus on Central Asia (CCCA) is a bipartisan member organization established in 2009 to help heighten congressional awareness of the political, social, and economic issues affecting the region.

LEADERSHIP:

Rep. Eni F.H. Faleomavaega (D-AS) 202-225-8577

Rep. Howard P. "Buck" McKeon (R-CA) 202-225-1956

Congressional China Caucus

The Congressional China Caucus was formed in 2005 by Representative Randy Forbes. The goal of the caucus is to educate members on China-related issues and to investigate China's global reach and the consequences of its growing international, economic, and political influence for U.S. interests.

LEADERSHIP:

Rep. Madeleine Z. Bordallo (D-GU) 202-225-1188

Rep. J. Randy Forbes (R-VA) 202-225-6365

House U.S.-China Interparliamentary Exchange Program

The House U.S.-China Interparliamentary Exchange Program was established in 1999 by Speaker of the House Dennis Hastert as a way to bring together members of U.S. and Chinese legislative bodies to discuss bilateral and regional issues. Representative Manzullo led delegations to China in 2002, 2003, and 2005. The first round of Chinese delegations came to the United States in 1999.

LEADERSHIP:

Rep. Joseph Crowley (D-NY) 202-225-3965

Rep. Donald Manzullo (R-IL) 202-225-5676

U.S.-China Working Group

Established in 2005, the bipartisan U.S.-China Working Group educates members of Congress on U.S.-China issues through meetings and briefings with academic, business, and political leaders from the United States and China. The group also provides a forum for honest, open, and frank discussion with Chinese leaders. Membership in the group does not imply taking a position on key issues.

LEADERSHIP:

Rep. Rick Larsen (D-WA) 202-225-2605

Rep. Mark Kirk (R-IL) 202-225-4835

Congressional Caucus on India and Indian-Americans

In 1993 the India Caucus (as it is more commonly referred to) was founded by Representatives Frank Pallone (D-NJ) and Bill McCollum (R-FL). The caucus focuses on improving the U.S.-India bilateral relationship, particularly by increasing military and economic ties.

Congressional Task Force on U.S.-India Investment and Trade

The Congressional Task Force on U.S.-India Investment and Trade was established in 2005 to encourage dialogue between the legislative branches of both governments with the goal of accelerating investment and trade relations.

Congressional Caucus on Indonesia

The Congressional Caucus on Indonesia (CIC) was created in 2004. The CIC serves as an informal, bipartisan group for members of Congress who are dedicated to maintaining and strengthening the U.S.-Indonesia relationship as well as to educate other members on the issues affecting the political, economic, and security climates in the world's fourth most populous country and third largest democracy. The CIC is committed to supporting Indonesian leaders for democracy, human rights, and free enterprise in that country.

LEADERSHIP:

Rep. Robert Wexler (D-FL) 202-225-3001

Rep. Dan Burton (R-IN) 202-225-2276

Friends of Kazakhstan

The Friends of Kazakhstan Caucus was created in 2008 to help strengthen U.S.-Kazakhstan ties by increasing awareness of issues affecting relations between the United States and Kazakhstan.

LEADERSHIP:

Rep. Shelley Berkley (D-NV) 202-225-5965

Rep. Robert Aderholt (R-AL) 202-225-4876

Congressional Caucus on Korea

The Congressional Caucus on Korea was established in 2003. The purpose of the caucus is to improve relations and communications between the United States and the Republic of Korea, to provide upto-date information regarding mutual interest items to members and staff, to identify shared policy interests, and to recognize common political, social, and economic ties.

LEADERSHIP:

Rep. Diane Watson (D-CA) 202-225-7084

Rep. Michael Capuano (D-MA) 202-225-5111

Rep. Ed Royce (R-CA) 202-225-4111

Rep. Dan Burton (R-IN) 202-225-2276

Malaysia Trade, Security and Economic Cooperation Caucus

The Malaysia Trade, Security and Economic Cooperation Caucus was launched in 2002 to help expand economic and security ties between the United States and Malaysia.

LEADERSHIP:

Rep. Gregory Meeks (D-NY) 202-225-3461

Rep. Pete Sessions (R-TX) 202-225-2231

U.S.-Mongolia Friendship Caucus

The U.S.-Mongolia Friendship Caucus was established in 2005 to help educate members of Congress and their staff about the rich cultural heritage of Mongolia and to raise awareness of the cooperative relationship between Mongolia and the United States. The caucus understands that a democratic, secure, and prosperous Mongolia is important for ensuring peace and stability in Asia.

LEADERSHIP:

Rep. Joseph R. Pitts (R-PA) 202-225-2411

Friends of New Zealand Caucus

The Friends of New Zealand Caucus was established to aid in strengthening the relationship between the United States and New Zealand while also enhancing the interaction between the legislatures. The formation of the caucus serves to strengthen and promote closer economic, political, and social links between the two countries in the hopes of enhancing the bilateral relationship.

LEADERSHIP:

Rep. Ellen Tauscher (D-CA) 202-225-1880

Rep. Kevin Brady (R-TX) 202-225-4901

Congressional Pakistan Caucus

The Congressional Pakistan Caucus was created in 2004 to support mutual respect, understanding, and cooperation between Americans and Pakistanis across a broad range of fields, and to serve as a political platform for the Pakistani-American community.

LEADERSHIP:

Rep. Sheila Jackson-Lee (D-TX) 202-225-3816

Rep. Dan Burton (R-IN) 202-225-2276

U.S.-Philippines Friendship Caucus

The U.S.-Philippines Caucus was formed in 2003 as a tool for fostering a closer relationship between the United States and the Philippines on economic development, the war on terrorism, and other bilateral issues. The Embassy of the Philippines publishes a bi-monthly publication to inform the caucus and its constituents on U.S.-Philippines bilateral cooperation.

LEADERSHIP:

Rep. Bob Filner (D-CA) 202-225-8045

Rep. Brian Bilbray (R-CA) 202-225-0508

Silk Road Caucus

The hope for the Silk Road Caucus is to help connect Central and South Asia and the Caucasus with the United States, in an effort to encourage economic, cultural, and political exchange between these countries.

LEADERSHIP:

Rep. Joseph Pitts (R-PA) 202-225-2411

Rep. Gary Ackerman (D-NY) 202-225-2601

Sen. Sam Brownback (R-KS) 202-224-6521

Sen. Mary Landrieu (D-LA) 202-224-5824

Congressional Singapore Caucus

The Congressional Singapore Caucus was created to provide a forum for focus and discussion on the U.S. relationship with Singapore.

LEADERSHIP:

Rep. Solomon P. Ortiz (D-TX) 202-225-7742

Rep. Cliff Stearns (R-FL) 202-225-5744

Congressional Taiwan Caucus

Created in 2003, the Congressional Taiwan Caucus exists to increase the awareness of issues affecting relations between the United States and Taiwan. The caucus focuses on concrete steps that Congress can take to enhance and strengthen this economic, political, cultural, and strategic relationship.

LEADERSHIP:

Rep. Robert Wexler (D-FL) 202-225-3001

Rep. Shelley Berkley (D-NV) 202-225-5965

Congressional Tibet Caucus

The Tibetan Caucus was formed by Rep. Dana Rohrabacher and Rep. Neil Abercrombie in 2008 in order to gain congressional support for the Dalai Lama and to raise awareness of the human rights violations of the people of Tibet by the Chinese government.

LEADERSHIP:

Rep. Neil Abercrombie (D-HI) 202-225-2726

Rep. Dana Rohrabacher (R-CA) 202-225-2415

Congressional Caucus on Vietnam

The Congressional Caucus on Vietnam focuses on postwar issues, bilateral trade and WTO issues, human rights, religious freedom, labor rights, defense cooperation, and the U.S.-led war on terrorism.

LEADERSHIP:

Rep. Loretta Sanchez (D-CA) 202-225-2965

Rep. Zoe Lofgren (D-CA) 202-225-3072

Rep. Christopher Smith (R-NJ) 202-225-3765

Rep. Anh "Joseph" Cao (R-LA) 202-225-6636

Mandated Commissions

House and Senate

Congressional-Executive Commission on China (http://www.cecc.gov/)

The Congressional-Executive Commission on China (CECC) was established in 2000 by Congress with the purpose of monitoring human rights and the development of the rule of law in China and submitting an annual report assessing developments in these areas. The CECC holds formal hearings and informal roundtables, bringing together government and non-government experts to discuss issues related to the commission's mandate. In addition, staff members travel to China to meet with government officials, diplomats, and academics.

LEADERSHIP:

Rep. Sander M. Levin (D-MI)

Sen. Byron L. Dorgan (D-ND)

U.S.-China Economic and Security Review Commission (http://www.uscc.gov/index.php)

The U.S.-China Economic and Security Review Commission (USCC) was established in 2000 with the purpose of monitoring the national security implications of the U.S.-China bilateral trade and economic relationship. The work of the commission focuses on the following eight areas: proliferation, economic transfers, energy, U.S. capital markets, regional economic and security impacts, U.S.-China bilateral programs, WTO compliance, and the implications of restrictions on speech and access to information in China. The USCC holds regular hearings on these issues and must provide an annual report and recommendations to Congress.

LEADERSHIP:

Dr. Larry M. Wortzel, Chairman

Ms. Carolyn Bartholomew, Vice Chairman

Japan-U.S. Friendship Commission (http://www.jusfc.gov/index.asp)

The Japan-U.S. Friendship Commission (JUSFC) is an independent federal agency that provides support for training and information to help prepare Americans to better meet the challenges and opportunities in the U.S.-Japan relationship through grant programs for institutions in the following areas: Japanese studies in the United States, public affairs and education, the study of the United States in Japan, and the arts.

LEADERSHIP:

Mr. Thierry G. Porte, Chairman

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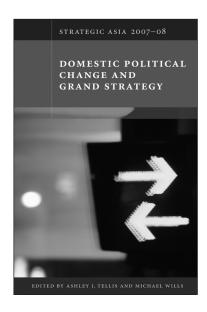
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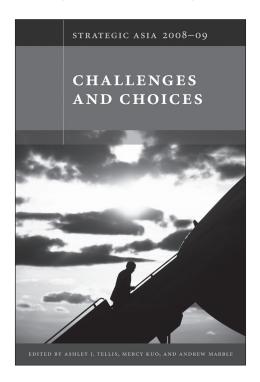
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