

Center for Strategic and International Studies

CSIS Press Briefing: President Obama's Trip to Asia

Speakers:

**Michael J. Green,
Senior Vice President for Asia and Japan Chair, CSIS; Chair in Modern &
Contemporary Japanese Politics and Foreign Policy, Georgetown University;
Former Senior Director for Asia, National Security Council (NSC)**

**Matthew P. Goodman,
William E. Simon Chair in Political Economy and Senior Adviser for Asian
Economics; Former Director for International Economics, National Security
Council (NSC)**

**Murray Hiebert,
Deputy Director and Senior Fellow, Southeast Asia Program,
CSIS**

Moderator:

**H. Andrew Schwartz,
Senior Vice President for External Relations,
CSIS**

Location: CSIS, Washington, D.C.

Time: 8:30 a.m. EDT

Date: Tuesday, May 17, 2016

*Transcript By
Superior Transcriptions LLC
www.superiortranscriptions.com*

H. ANDREW SCHWARTZ: Good morning, and welcome to the Center for Strategic and International Studies. I'm Andrew Schwartz, and I'm happy to see all of you here on this beautiful Washington morning. We had good weather for about a minute.

Quick announcement. If you all haven't seen our two microsites – one is the Asia Transparency – Asia Maritime Transparency Initiative, AMTI. It has – the latest feature, posted last Friday, is on Vietnam's island-building efforts. It covers the whole region and building efforts in the – land reclamation efforts in the South China Sea. It was a popular feature last week. Business Insider picked it up yesterday. Within about an hour, there were about 60,000 views. So you might want to check that out.

The second thing is we have a website – a new microsite called ChinaPower. Bonnie Glaser, our colleague who's not here today, designed that. Measures China's power – not just its military power, but its economic power, its Internet penetration, its demography. It's a really fascinating microsite.

And then the third thing I want to say is today, later, if you go on CSIS.org, you will see a brand-new CSIS.org website. And I hope you all like it. Love to hear your feedback.

With that, I'd like to start out with Dr. Green, who's going to set the stage for this trip.

MICHAEL J. GREEN: Thank you, Andrew. Good morning.

I'm going to provide some geopolitical context for the president's trip, and let Matt Goodman and Murray Hiebert go into some of the specific issues that will come up in the visits to Vietnam and Japan. The president leaves this weekend.

The White House has said that this trip will highlight the president's continued commitment to the Asia-Pacific region. He has some bragging rights in that regard. Woody Allen said nine-tenths of success in life is just showing up, and nine-tenths of success in diplomacy in Asia is also showing up. And by the end of his eight years, President Obama is set to have the most travel to Asia of any president, including membership in the East Asia Summit, a new forum which he will attend in September in Laos.

At the same time, the president's so-called rebalance or pivot to Asia has been muddled at times. There's no doubt he came into office wanting to focus more on Asia and the Pacific, but the strategic framework was never entirely clear at the beginning. If you go back and look at the early White House National Security Strategys, there's no mention of the rebalance. There's no mention of a pivot. There's no highlighting of TPP or any of the elements which we have come to see as the rebalance.

It really came together very suddenly in November 2011, when Secretary of State Clinton did a piece in Foreign Policy called "the pivot," introducing that phrase, and then when President Obama gave a speech in Australia saying the United States would rebalance to Asia and the Pacific. And in subsequent years, the administration started putting in place elements – some

new, some from previous administrations, including the Trans-Pacific Partnership, TPP, and the distributed laydown of U.S. forces in the Western Pacific, including Marine rotations to Darwin, Australia and so forth.

The administration still struggled to clarify its bottom line. The themes of the pivot pivoted. Early on, there was a focus on core interests and establishing a mutual respect for core interests with China. That didn't go well. The administration walked away from it in 2011 and '12. Then, in 2013, President Xi Jinping of China proposed the U.S. and China have a new model of great-power relations. The administration embraced that for a while; it's now walking away from that that to some extent.

The Syria red line caused some uncertainty among allies, and the very open "Hamlet"-like debate about whether or not to do Freedom of Navigation – FONOP – moves in the South China Sea all created some uncertainty about what and whether the rebalance and the pivot would mean, and whether it would be fully implemented – although, outside of China, it is widely welcomed. We've done polling of elites in Asia, and over 80 percent outside of China welcome the president's proposed rebalance to the region. So this trip really does spotlight the status of the president's rebalance, and the trips to Japan and Vietnam will naturally cause a focus on two of the critical pillars of the rebalance: the Trans-Pacific Partnership, TPP; and Japan's – excuse me, and the security networking, and relationship- and alliance-building, largely in response to China's more assertive posture in the region.

The Japan trip will be important for TPP, except that nothing will happen. Prime Minister Abe has put TPP off the table and has decided not to go ahead with a Diet vote to ratify, in part because there was an earthquake in Kumamoto and there's a national crisis and need to focus on recovery, but also in part because it's not moving here. And it was politically risky for the prime minister, going into an upper-house election in July and possibly a lower-house election either in July or later, possibly even in the fall, and I don't think the prime minister is willing to carry this burden without some parallel movement in Washington.

It's important because TPP is basically a U.S.-Japan free trade agreement. About 80 percent of the trade covered would be between the U.S. and Japan. The president can get this done in a lame-duck session, but it's going to take some effort. And I think people in Japan will be looking to see what the president's plan is to try to get this through in the lame-duck session, which will be important because all the major candidates now running are at least nominally opposed to the deal.

The Japan trip's also important because the president and Prime Minister Abe have consummated new guidelines for defense cooperation. And based on that, Prime Minister Abe has introduced legislation that widens the possibility of the Self-Defense Forces' operational role under Japan's pacifist constitution. No big decisions are necessary, but forward movement and implementation is going to be the key.

And then the most newsworthy aspect of the trip, although geopolitically not the most significant, is going to be the president's visit to Hiroshima. I say not geopolitically significant because the reality is, in polls, the American and Japanese people trust and like each other at a

level that we haven't seen since World War II. So it's not like this is a crisis or problem that has to be solved. And in fact, there are some pitfalls, some risks to this, two in particular.

One is a potential blowback in our politics in the U.S. if the president were to apologize. A majority of Americans and a large majority of historians in the U.S. think that the atomic bombing was necessary to shorten the war and forestall an invasion of Kyushu which would have led to many times more casualties. And you know, an apology would have led to a considerable debate back here in our political season that probably wouldn't have been healthy. The White House has said there's not going to be an apology.

The other, less-risky but still important dimension is global nuclear zero. The president gave a speech early on in Prague promising zero nuclear weapons in the world. The White House has suggested that will be a flavor of the visit. It's not unpopular in Hiroshima, of course, but for the Japanese government and I think the Korean government is a bit risky because North Korea is going pell-mell for a deliverable nuclear weapons system, and very may well test within the year one more time its nuclear capability.

But if the president does this, as John Kerry did, quietly, respectfully, it could be – it could be quite important and historically successful.

Ernie – excuse me, Murray will say more about Vietnam. I would just – I would just point out that, in terms of the overall geopolitics of the rebalance or the pivot, probably the most significant part is the American reinvestment in Southeast Asia, which has been episodic for our entire history. We usually commit troops, trade agreements, diplomacy to Southeast Asia when something else is happening that makes Southeast Asia, in effect, a battleground, whether it was the Second World War, the Vietnam War, Japan's economic expansion in Southeast Asia in the '80s and '90s, terrorism when I was in the White House in the Bush years, and to a significant extent now China. So Southeast Asia's always been somewhat derivative of larger, more pressing strategic problems. But Southeast Asia, of course, in its own right now is a major trading partner, and multilateralism in Southeast Asia is beginning to shape behavior among the big powers.

And the Vietnam trip is therefore very important and very tricky, because part of the strategy to stabilize the region at a time when China's behavior is coercive and threatening is to strengthen partnerships – not just with allies like Japan, but with countries like Vietnam. And on the table is a lifting of the U.S. arms embargo. And the human rights community, for some good reasons, is opposed to that. And the question is, how will the president handle this?

What Vietnam needs is not, in my view, kinetic weapons, but radar, command and control, communications. And that's something which may allow the U.S. to do more without creating a backlash at home, because Vietnam's human rights and democracy record is on a better trajectory than China's right now, but it's far from perfect and will garner a lot of attention.

MATTHEW P. GOODMAN: OK, thanks. I think Mike got through all of that without mentioning the actual reason for the trip at this time, which was the G-7 Summit. And that's

understandable because I think most of the headlines are going to be here and here. But let me go through the G-7 Summit since that is the reason the president's going out to the region.

So this is the 42nd G-7 Summit since it was founded in the mid-1970s. It's the third summit since Russia was thrown out of the group when it was the G-8 in 2014. It's the first time Japan has hosted since 2008. So that's just the kind of fun facts.

There were two organizing principles behind the foundation of the library – the G-5 Library Group in 1973. And those remain the organizing principles of the G-7 today, which are, first, to talk about the global economy and promoting global growth; and, secondly, to talk about challenges to the global order and to talk about – among these largest, advanced democracies in the world, to talk about shared interests, shared values in that – in those challenges. If you recall, there was the Arab oil embargo and the breakdown of the Bretton Woods currency system in the '70s, which was the original purpose.

Today, the topics are, again, slow growth in the world. The G-7, like the G-20, have set the goal of strong, sustainable and balanced growth, and all those adjectives have significance. The reality is the global economy is weak, uncertain and unbalanced. And so that's their really top issue to talk about, is how to get growth going. I wouldn't expect a lot of agreement, largely because there is a sense that monetary policy may have reached its limits, that fiscal policy is not something that at least some members of the group want to entertain – and I won't say which country, but its initials are Germany. And structural reform they'll talk about and make – and commit to, but I don't think there will be a lot of significant breakthroughs there.

So I think the most interesting thing on the growth topic will be trade and what they say about TPP, what they say about the Transatlantic Trade and Investment Partnership, which between them all seven members are participating in one or the other of those, and what they say about parts of the multilateral trade agenda like the Environmental Goods Agreement. That's something that potentially they could give a push, a shove to, which would contribute to growth.

On the question of the order, obviously, of everything from Russia's behavior in Ukraine, they will talk about – they'll talk about China's assertiveness in the South China Sea. They'll talk about North Korea. They'll talk about Ebola and Zika, other challenges in the – transnational challenges that they confront. So there will be those questions, some of which get to this question of the global order and how these seven largest advanced industrialized democracies can work together to bolster – update but bolster the order, the global order.

They have – for many years they've also had a development component to the agenda, so that will feature prominently. And the two big issues – the three big issues, really, for Japan there are global health – they will not only, I think, move forward with some kind of progress on Ebola- and Zika-related issues, but also strengthening universal health coverage, UHC. That's another term of art in the field which Japan is very committed to strengthening health systems around the world. So that will be a major issue.

And women's empowerment will be another major feature. That's something that Prime Minister Abe has given strong at least rhetorical support to in Japan, and that's something important for his domestic and international endeavors and for every member of the group.

And then finally, for Japan, quality infrastructure is another topic that will probably feature prominently. That's something where, as you probably know, in Asia there's a kind of new great game over infrastructure investment. And Japan wants to make its contribution in emphasizing quality infrastructure.

And then there'll be a range of other issues, in addition to those, on energy and climate and so forth. Again, I would not expect major headlines from this summit. But before you get too cynical, remember that leaders are lonely people. They don't have much chance to interact with their peers. I know you laugh, but, I mean, think about it. These people don't have much time to sit down with their peers to talk about common challenges. And I think President Obama, in my experience, actually looks forward to these meetings, and I think his counterparts do as well, because it's a rare chance to sit down with a group of – small group of leaders who have shared values and interests to talk about these common challenges. So I think that's probably the biggest headline.

Thanks.

MURRAY HIEBERT: So I'm going to talk about the president's visit to Vietnam. Mike already alluded to the fact that within the rebalance, a lot of the focus has been on Southeast Asia. And within Southeast Asia, Vietnam has been one of the key points of engagement for the administration. Relations have really deepened quite dramatically.

That is – there always is an element of distrust in some sectors of Vietnam's elite, the political structure. But the – China's increased assertiveness in the South China Sea has really sharpened the Vietnamese mind and prompted Vietnam to probably move faster with the U.S. than it might have otherwise. So the president will be there early next week. He's going to go to both Hanoi and Ho Chi Minh City. The goal is to find ways to deepen economic and strategic ties with this important player in Southeast Asia.

This follows a visit by the – the communist party chief visited here in the middle of last year. And three years earlier, the president, President Sang, visited. And during that visit, the two countries announced the initiation of something they call the comprehensive partnership.

The focus of the president's visit will be – you know, include security, defense, trade and investment, people-to-people linkages. The TPP is likely going to be discussed. It's a little harder because of what's happening here. But Vietnam is the least-developed country in the TPP. It's also the only communist country in the TPP. But Vietnam is going to be a huge beneficiary. By the World Bank estimates, GDP will grow just, thanks to TPP, about 8 percent over the next decade. And garment exports, which are already huge, are going to explode maybe 40 percent or so.

But one of the more dramatic things that happened in the TPP is the labor issue. Vietnam, which, like other communist countries, the ruling party is ultimately the umbrella organization under which labor unions fall, but Vietnam has agreed over the next five years to implement freedom to associate, grant freedom – workers much greater freedom in negotiating their labor standards.

The other issue that's going to come up is, like Mike alluded to, the ban on military sales. Two years ago this was eased. Vietnam has asked that it – in various ways that it be lifted entirely. The ban – ultimately the ban was introduced at the end of the Vietnam War in '75. It was introduced earlier but reemphasized at the end of – in 1975.

More recently, as the two countries have normalized relations, the element of human rights has been put into the ban. Right now there's – if you go around talking to people across the river and at Foggy Bottom, there are sort of two streams of thought on this. One is, because relations have improved so dramatically, that it would be another symbol of normalization if the two countries – if the United States would move and lift the ban entirely.

There are others, as Mike alluded to, in the human-rights community who really don't want the ban lifted. But ultimately I don't know exactly what's going to happen. My bet is that they talk about it, but to avoid some of the emotion that might happen here, and also to create a lot of anxiety in China. The president may find some ways to talk about it, but introduce maybe some conditionality on human rights, but in the end probably move later this year to lift it rather than doing it during the visit.

Military cooperation – it is somewhat surprising, despite Vietnam asking for this, military cooperation has probably been the area that's moved the slowest. Vietnamese military still remembers the war. A lot of the leadership grew up during the war. And there's also anxiety about angering China. So the Vietnamese military does this very delicate dance with military exercises, ship visits, and those kinds of things.

The South China Sea will be a big deal in the visit. Particularly they'll discuss, like they did at Sunnylands, the issue of how ASEAN will respond once the arbitral tribunal in The Hague makes its ruling on the Philippine case.

The president will also – on Agent Orange, the U.S. has been more active in recent years with one remedial project in Da Nang. It's – we expect the administration to announce another project in Bien Hoa, very near Ho Chi Minh City, where there's an air base where there was a lot of damage to the soil.

On human rights, the president is going to no doubt say, as he does repeatedly, that the relations can't reach their full potential unless there's more progress on human rights. Particularly concerns in Vietnam are on bloggers, on democracy activists. The administration estimates there's about a hundred people in detention. And we'll see, you know – but that'll be an issue which will no doubt attract some of the president's attention.

He's also probably, or maybe Secretary Kerry, but one of them will be involved in some inauguration event relating to the Fulbright University opening in Ho Chi Minh City. Congress has given \$20 million for setting up a university. It has independent curriculum and an independent board. This will be the first time something like this will be set up in Vietnam.

There will be a discussion of environmental issues. The Mekong Delta is being hit already by climate change and the drought that's happening this year.

The one issue which I'll mention in closing is there – it's a bit sensitive for both the president and Vietnam. There have been in recent weeks pretty large and boisterous protests on environmental issues. One environmental issue: In the northern part of central Vietnam, there's about four provinces, 400 or so kilometers, where the fish are dying in large numbers. This is at the – close to a Taiwan-invested steel mill. And the fishermen have seen the discharge from the mill and are saying that the steel mill is causing the deaths.

The Vietnamese government, which doesn't want to anger investors, is being rather cautious about this. But it's prompted huge protests the last three Sundays; rather I should – the last Sunday, the 15th, was much smaller. But on the 8th there was a pretty serious crackdown.

The president initially was going to arrive on the 22nd, which would have been rather sensitive, because these protests seem to happen on Sundays. But he's now arriving on Monday because Sunday is also the National Assembly elections.

So it's going to be a little bit sensitive. Some of the protesters may try to come out while the president is there. The Vietnamese really don't – this is – you may recall, during the oil-rig crisis in 2014, when China put its oil rig in what Vietnam considered its exclusive economic zone, the – there were a lot of anti-China protests. However, they seemed to target Korean, Singaporean and Taiwanese companies. (Laughs.) Vietnamese didn't differentiate. And there's some concern that this thing could spiral a little bit out of control.

The government is constantly under pressure to do – show more nationalist flare during the – toward China. And so we're going to have to see how this goes. But I think you might want to just be aware about those, you that are traveling with the president.

Thanks.

Q: Thank you so much. My name is Atsushi Okudera with Asahi Shimbun.

I have one question for – on Japan, and Vietnam as well; the first one on Japan and Hiroshima. White House, you know, has mentioned President Obama will reflect what he feels in Hiroshima. But at the same time, Deputy National Security Adviser Ben Rhodes also said president would not revisit the decision of the dropping atomic bomb.

So in this sense, you know, what message can you imagine President Obama would deliver in Hiroshima? Do you think he would express deep remorse? And also how he is going to mention about the sacrifice and the survivor of the atomic bomb there? I don't know. I don't

think it's a big speech, but he will address something remarks. So could you share your thought with us?

And also, Vietnam – this – you know, this visit is the first time for President Obama. And also this is the second time for – as a sitting president. Are there some – is there some – any significant meaning in terms of reconsideration? As you know, Japan and Vietnam was a former adversary. And do you think President Obama will visit some kind of symbolic place in Ho Chi Minh City? And what kind of message he's going to deliver in terms of reconciliation between two countries?

Thank you.

MR. GREEN: I would not expect the president will express remorse, which would be “hanse” (ph), I think, in Japanese. I could be wrong. But the reason I say that is because I don't think the president is likely to express an apology. And remorse is pretty close. And it's partly the politics, but also, frankly, it's the history. I mean, I think the majority of historians in the U.S., the military and diplomatic historians, argue that the bombing was necessary in the sense of the ethics and morality of war, proportionality and preventing much larger bloodshed.

And, you know, a lot of the recent historiography has shown quite clearly that the number of Japanese troops waiting in Kyushu was more than twice the size that the allies actually thought were there. So it would have been – just the Kyushu battle alone would have been – just landing on the beaches would have been more bloody and costly in human lives, let alone, you know, the rest of the fight. And it came after the Okinawa battle, where they were projecting casualties and resistance that would be comparable, but on a much larger scale.

So I'd be surprised if the president did that. And I think for him the more important moral issue is the morality of nuclear weapons and the need to ban nuclear weapons someday, which he has spoken passionately about. And that's where he and his speechwriters will be tempted to say more. And I think that also, as I said, has some risk, because Japan is within range of North Korea's Musudan and other missiles. And the North Koreans are miniaturizing weapons to be able to use them, or at least threaten Japan and the neighborhood with them.

And so as a matter of deterrence, declaratory policy, reassurance of allies, that's a sort of risky terrain. So in a way, the less he says the better. It's not normally this president's style to avoid an opportunity for historic speeches, but this is one where I think going and a very simple statement would be more powerful than trying to wrap it in his own legacy or politics or geopolitics.

And on Vietnam, I mean, the reconciliation of Vietnam has been quite remarkable. I was in the White House when Vietnam's first premier came to Washington. I went to Hanoi to negotiate progress on human rights and democracy. I had to meet with POW/MIA families. This is 10, 11 years ago. The administration dreaded doing that before a U.S.-Vietnam meeting because there was so much harsh criticism. I faced no criticism. The reconciliation's been quite remarkable. Murray can say more about it. All I would say is it would be clumsy – if I

understand your question – it would be clumsy to try to use the Vietnam visit to send some signal to Japan about reconciliation. It would be clumsy. So I don't expect it.

MR. HIEBERT: Actually, Obama will be the third sitting president. Clinton visited right at the end. And then as Mike said, George W. Bush went in late 2006. I don't think he will – you know, these kinds of trips have happened already. Visiting these kinds of sites has happened. I think the visit will focus more on building for the future. I think Vietnam is ready to do that. He will probably announce something about doing something on Agent Orange. There has been various – there has been more efforts at dealing with unexploded ordnance, which is happening a more regularized level. So I don't think the president will focus on that.

Like I said, he's going to focus on building toward the future, building trust, trying to lay a framework to keep engaging at the various levels that are happening already. I think Vietnam has also largely moved on from the war. And so I don't expect that he'll give a speech that'll – he will give a speech on U.S.-Vietnam relations. It will allude to the past, but it's going to look really to the future.

Q: Barry Wood, RTHK in Hong Kong.

I'd like to ask Matt about currency manipulation. If that's going to be discussed this weekend in Sendai by the finance ministers, China absent, Japan somewhat on the defensive, would you think that the matter of currency fluctuation will make it to the G-7 in Ise-Shima?

MR. GOODMAN: I should have mentioned that I think currency issues will be discussed privately. There won't be – I don't think there'll be a public statement beyond anything that's been said before about the importance of sort of market-based exchange rates and avoiding competitive devaluations. But it is – it is an issue that has some level of concern in the U.S. Treasury, as you saw in their semi-annual exchange rate report.

They included Japan on a list of – fairly long list of countries that were sort of on a watch list, not because Japan has actually intervened, but there's been a lot of jawboning with the yen having risen, rather mysteriously to some people, despite negative interest rates and a weak economy. So I think they're probably going to be limited and private, but some discussion of currency issues in the G-7. I wouldn't expect it to be a prominent issue in the communique or public statements.

Q: I wanted to ask a couple questions about the arms embargo. First, can someone talk about what China's reaction might be, and maybe that's based on how they reacted in 2014. And then two specifics: What is the difference between what happen in 2014 and what would happen now? I understand it was partial, but what does that mean actually in terms of specific? And I think you actually told me this the other day on the phone, but I want to make sure I understand. President Obama can do this by himself, without Congress, but Congress needs to approve if there's any weapon sales later on down the road? I want to make sure I said that right.

MR. HIEBERT: Well, you know, obviously we don't quite know how China will react. But they have – there have been comments from Chinese officials about the president's visit

generally. And they've been – you know, China accepts the fact that it's totally normal that Vietnam and the United States would have close relations, would like to normalize relations. In 2014, it was a partial lifting of the ban that resulted in giving Vietnam the ability to buy, as Mike said earlier, non-kinetic stuff, mostly in maritime domain awareness. This would be a full lifting, I mean, assuming they do that. They can also take various partial steps again. But it would allow the U.S. to – it would allow Vietnam to request the ability to purchase basically anything.

And yet, there are various mechanisms that you have to go through to purchase military hardware, that any country has to. We see this a lot with Taiwan, for example. And it's rather public. The other thing that I'd have to say is that so far Vietnam hasn't purchased anything. They've had ability to buy radar and boats. They've window shopped a little bit. I hear from both Vietnamese and U.S. officials that they're close to maybe buying something. But in the end, you know, they find American equipment very expensive, and the process of buying it very rigorous. It's cheaper and easier buying it from the Russians.

Obama can lift this by himself, he has the – his administration has the authority. But he really doesn't want to – he's really tried on the Vietnam policy to stay on the same page with the Congress. And so I know there's been a lot of discussions. And we've seen – there's been different – he's gotten different messages. Senator McCain says lift it. And then there's a group of others, including Senator Leahy, who's been very generous with Vietnam on the Agent Orange and unexploded ordnance issue, saying we have to maintain it for human rights reasons. So that's why I'm thinking that he doesn't do it now.

Q: Does Congress have to approve – does Congress have to approve each individual sale?

MR. HIEBERT: Yes.

Q: OK.

MR. GREEN: I agree with Murray's analysis. And I think it's safe to say the Chinese will react – will preempt and react negatively. The Chinese were extremely critical publicly and privately of Korea's move to consider welcoming U.S. missile defense, THAAD, Theater High Altitude Air Defense. They were – the Chinese government officially was very critical of Australia for considering procurement of a Japanese submarine. It's been pretty much the MO for Beijing to interject in arms decisions by countries that would move them closer to U.S. So I think – I would expect something from the Chinese that's negative. And that will have some influence on the Vietnamese decision.

Since 2014, actually Japan and Korea have moved faster with Vietnam than we have, in part by Hanoi's choice. So the Japanese and the Koreans have moved forward with decisions on also providing patrol craft, coast guard-like boats. The Japanese through the government, the Koreans on a commercial basis. And the Israelis provide a lot of the more high-end stuff, and then the Russians a lot of the things that go bang. So I don't think there will be a full lifting right now, because I'm not sure Hanoi is fully ready for it either. And as I said earlier, what we can

really provide that the Vietnamese need is the electrons, the radar, the sensors and command and control-type equipment.

But I also think, finally, the Obama administration will be careful because for the left in the Congress, Vietnam is one of the problems with TPP, especially labor rights and environment and so forth. So, you know, there's this TPP dimension as well, which leads me to agree with Murray's overall conclusion. We probably won't see it fully lifted this trip. And I would be surprised if we saw it in September when the president's back in Asia, because that's still before the lame duck session when TPP might come up. But the trajectory, I think, is pretty clear. I think the trajectory is clear, which gives both Hanoi and Washington some confidence that we'll get to this in time.

Q: Yeah, that was helpful. I just want to follow up. What would a partial lifting look like? Could you give us some ideas about what you think might be cooking there?

MR. GREEN: I don't know exactly what – I'm quite certain that the Pentagon and State Department political military affairs are talking to the Armed Services Committee and the Senate Foreign Relations Committee, both of which – right, House and Senate international relations, Foreign Relations Committee – which have jurisdiction over arms sales, to try to find out what the sweet spot would be. I don't know what those discussions are right now, but I would guess it would be the areas related to maritime domain awareness – radar and things like that – which frankly would be more helpful than us selling, you know, weapons that fire projectiles, which the Vietnamese can get from the Russians, from the Israelis and others anyway.

So I would imagine that that's sort of the area of discussion. But I don't know exactly where things stand. Maybe Murray –

MR. HIEBERT: No.

Q: In the years after the crash, there was much more emphasis on the G-20. And there was – and some people were wondering why do they even bother having a G-7 since they all meet again in the G-20. Is the G-7 making any kind of a comeback here as a decisive kind of body? And then following on that, we briefly mentioned the stall in the TPP, but it looks like both big trade agreements are stalled politically either in this country and TTIP over in Europe. What is Obama – what do these people say to each other about the future of trade? Are these – are we just in a period where big trade deals are over?

MR. GOODMAN: So you're right. Following the 2008 crisis – financial crisis, the Obama administration made a conscious decision to shift the locus for international economic coordination from the G-8, as it was then, to the G-20. And in the Pittsburgh summit in 2009, the G-20 was declared as the premier forum for our international economic cooperation. So the G-20 was the steering group for the global economy. And the U.S. is fully committed to that.

But the G-7 remains, as I say, a unique group in that it's the seven largest advanced democracies, and all those words are important. It is – so it is a unique group, in that they have a shared array of values and interests and experience with this kind of gathering. And I think since

Russia was thrown out in 2014, my sense is that there has been a renewed vigor in the group, that there's a new sense of common purpose in the G-7. You know, not necessarily to do the big things that they used to do in guiding the global economy, but in terms of having a real frank discussion about global issues, including the ones I mentioned. By the way, I didn't mention ISIS and terrorism. Of course that'll be a major topic in the discussions as well.

So I think the G-7 still has value, in that sense, for the leaders of those seven economies. And then on TTP and TTIP, yeah, I mean, there's no question that TPP is done. And by the way, you know, people – a lot of people didn't think that was going to happen. So the optimistic position on these things has been the correct one, as long as you didn't predict the timing. And you know, ratification, seriously though, is stalled in both the U.S. and Japan, which are the two countries that really matter for this purpose. And that's – that is a problem and a challenge and makes it difficult to have a serious conversation about that issue. TTIP is still in negotiation phase and is not moving very fast. But I think both Washington and Brussels, and the member states largely, want to move forward. They just – it's a very, very difficult negotiation.

So I think there will be an effort to try to give some sort of hortatory support to both of those agreements, because all seven members want those things to move forward as a way of updating and upholding the rules of the international trading system. But I agree, I don't think there'll be a lot of substantial progress. They may, as I mentioned, focus on some other aspects of the multilateral trade agenda, like the environmental goods agreement or the services agreement that are being negotiated among – you know, at a multilateral level, albeit as parts of the global agenda. So there's still – trade's still central to the conversation.

MR. GREEN: Sorry, Matt. As Matt said, the G-7 and then G-5 was created in the midst of crisis in the early '70s to protect the Bretton Woods system. But over time, as it became the G-7, it really was much more of – not defensive, but offensive in the sense that it really set the agenda. So when Matt and I were in the NSC staff, a lot of the APEC agenda flowed from the G-7 agenda. And that was true for U.S.-EU summits. So the G-7 was really the place where the global agenda was set and then – at least on the U.S. side. I think for Japan and others, regional summits and meetings were defined in large part by the G-7.

The G-20 was born in crisis to preserve the Bretton Woods system with these large, new economies like China and Brazil, and was very effective at that at the end of the Bush administration and early Obama in terms of preventing protectionism and so forth. But the G-20 is not configured for offensive, if you will, agenda setting. And I think especially in Japan, there's a real nostalgia for the G-7 and getting back to some of that agenda setting by liberal democracies. A lot of it has to do with China and Japan's, you know, near abroad, but I think in Japan in particular there's a desire to breathe life into the G-7, and we'll see how successful that is.

Q: (Off mic.)

MR. GREEN: That's also part of it, yes. Yeah, that's right. So in terms of agenda setting, it has obviously advantages for Japan, yeah.

Q: Let's see if I can reach this awkwardly.

A couple of you have mentioned something that I wanted to follow up on more broadly. You mentioned the element of the wartime history, of course, with both Vietnam and Japan. I'm curious to hear your thoughts on how that history, different in both countries but a common thread, affects how Obama is approaching this trip, given that he, like it or not, is also a wartime president.

MR. GREEN: Well, there's a great story in there somewhere, for sure.

You know, Japan and Vietnam are different cases. In the case of Vietnam, of course we never lost on the battlefield but the U.S. lost the war in terms of our aims. In the case of Vietnam, the system we fought against, basically a communist system, is still in place. Japan is a democracy. The U.S. won the war, occupied Japan. So they're very different post-war experiences. And obviously Japan is a treaty ally and, according to polls, the most trusted U.S. partner in the world after Britain, Canada and Germany. So there are very – there are very big differences.

I think it also is worth noting that President Obama is the first post-Vietnam president since the Vietnam War. If you think about Bush, Clinton, obviously George Herbert Walker Bush and previous presidents, all of them, in one way or another, were shaped by the Vietnam War. John McCain, who ran against President Obama, you know, served in the war, obviously.

So it's an interesting question whether that makes it easier for President Obama to be forthcoming and emphasize reconciliation. My guess is it probably does, that the critical phase of normalizing relations really required people like John McCain and John Kerry – and as Murray said, we're now talking about the future, a new generation, very young demographic profile in Vietnam, the vast majority of whom did not experience the war. So in that sense, President Obama is probably the right figure going forward.

In the case of Japan, you know, the president has done well with Japan, but at times there's been concern about whether the U.S. is hewing too closely to China – the statement, phrase, “Japan passing” – and at times the Obama administration has triggered that fear. And so I think there's an expectation in Japan – even after Prime Minister Abe's very successful visit here last spring, and addressed the joint sessions of Congress, I think there's still a constant wariness in Japan that the U.S. and President Obama might be tempted to end his administration with a big U.S.-China theme, and not without reason. Pretty much every president in the last 20 years has ended their term with a sort of signature move towards tightening relations with China. And the last Asia trip the president will take in September is to China.

So I think the geopolitics in Japan and the domestic politics make this a very sensitive issue and a real desire to see that the U.S. is really, truly, fully committed to the U.S.-Japan alliance. And that shapes – and that shapes the historical piece as well, because when the Obama administration in the past appeared to be pushing Japan on the history issue, it resonated badly in Japan, where it was seen as echoing China's narrative.

So I think the administration has largely put these issues behind, but they're still there. And the fact the last trip will be to China for this president in Asia I think is probably in the back of Mr. Abe's mind.

Q: I am Senh Wu (ph) from Vietnam Television. I have a question.

We know that President Obama will leave the White House soon, so how do you think about the possibility that the pivot or rebalance policy will be continued by the next administration? Thank you.

MR. SCHWARTZ: Who knows if the next administration will actually have a foreign policy? (Laughter.)

So we've done some surveys at CSIS on elite – you know, intellectual foreign policy thinkers' views on the rebalance in Asia and in the U.S. And in our survey – and this was – it's on our website. It was late 2014, I think, and I think we called it “strategic views of the rebalance,” something like that, but order – the word “order” is in there. Sorry; I don't have it in front of me. It's on our website. And over 90 percent of American experts supported the goal of the rebalance. There was a lot of disagreement about the tactics and the approach about TPP, but well over 90 percent – and this was mostly universities and think tanks, so it included AEI, Heritage, Center for American Progress. So I think there's broad bipartisan agreement that this is the right direction, even if there's disagreement about the specifics.

Over half of Americans – average Americans, in polls since around 2009 or '10, have said Asia is the most important region in the world to U.S. interests. And in Congress I think there's pretty robust support. So I think there's bipartisan support broadly in the public and then among the foreign policy establishment. But we're in an election year and we haven't actually – amazingly, we have not mentioned Donald Trump yet, but the reality is that this will very much be in the minds of particularly the Japanese side during this trip.

The statements that Mr. Trump made about Japan or Korea going nuclear – which he since walked back and walked forward and walked sideways – continue to cause a lot of public commentary, a lot of concern. And also, though to a much lesser extent, Secretary Clinton's new position on TPP since she became a candidate has caused some concern. And it's partly about the candidates, partly about what they say, but I think it also is about whether the internationalism of the American Republic is still there. And I think all of us would say, yes it is, but you can also understand why there's some consternation.

But in terms of those who would implement policy, you know, those who would come into the government or are in the government, I think there's pretty broad consensus that the rebalance – which, by the way, was not new. It builds on things Clinton and Bush did, but it's the right general trajectory.

So I'm in charge. Yes, please.

Q: Hi. Nancy Benac, AP.

Speaking of Donald Trump and the elections, so both Trump and Sanders, when they're talking about trade, both single out Vietnam for difficulties. So can someone just speak to – and, you know, President Obama presumably will highlight it for the potential. So can someone speak to kind of the upside and the downside of Vietnam as the example of good or bad for TPP and trade?

MR. HIEBERT: Well, in terms of – Vietnam agreed to open up a lot of stuff under WTO but didn't agree to everything. And so there's going to be agriculture as one area where the U.S. is actually going to benefit pretty substantially, and the Vietnamese are a bit anxious. So the U.S. will be able to sell a lot of things like cheap chicken, soybeans and those kinds of things, and the Vietnamese are very anxious this is going to hit their farmers pretty badly but they recognize this will be a way to force them to be more efficient and modernize.

I alluded early to the labor agreement, which is really, you know, Vietnam agreed to an amazing agenda to basically follow ILO standards within the next five years. And there's no mucking around with this. If Vietnam doesn't, there are snap-back provisions that it will lose its tariffs – its reduced tariffs on garments. On environment, Vietnam agreed to some pretty rigorous conditions.

I think, you know, Vietnam views this as a way to get a leg up on some of its competitors in the region, the people who are out, like the Thais, Filipinos, et cetera. It's really interesting that because under the TPP there's this provision "Yarn Forward," you've got to buy your inputs for garments from TPP countries. So Chinese businessmen, ever fleet of foot, recognize they may lose a lot of business. They are actually setting up in Vietnam to be able to sell directly to the Vietnamese to benefit. So are Indonesians who are Indonesian garment companies.

So there's huge benefits for Vietnam, but the United States – ironically the AFL-CIO was very involved and pushing Vietnam to do all these things on labor, and now the AFL-CIO is opposed, which gives Vietnamese minor heartburn: Why did we do this for them if they're not going to support us anyway?

MR. GOODMAN: Let me just add one point of emphasis. I agree with everything Murray said, but I would just say that, you know, there's plenty that is controversial about Vietnam here, whether it's labor, environment or human rights or Basa fish.

I mean, there are a lot of things that are going to cause problems, but from a – politically, but from an administration point of view here, I think Vietnam was the real prize, in a way. I mean, Japan was obviously the big – in sort of absolute terms, the free trade agreement with Japan was what this was all about. But in a way, when you hear the president say the U.S. has to write the rules or others will write the rules, I think he has partly in mind the notion that if we could reach agreement with Vietnam on things like labor rights, on state-owned enterprises, we can create broader agreement to these rules.

Vietnam does want these things for its own domestic purposes. You know, its own state-owned enterprises are out of – you know, out of control in some ways and it wants to use the

discipline of TPP to help modulate them. And so that – sort of the lesson of that for the broader rulemaking in the region I think is very powerful for the administration, and one reason they wanted Vietnam in, but that's not to minimize, you know, the political challenges of reaching an agreement with Vietnam in trade.

MR. SCHWARTZ: I think we can do one more question. Yeah, please.

Q: Hi. I'm Hiro Ikano (ph) from Sankei Shimbun, Japanese newspaper.

OK, more on Trump. Donald Trump is insisting that the U.S.-Japan security treaty is so unfair and Japan and Korea should do more – pay more. OK. And how do you think about his comment on U.S.-Japan alliance influence for next administration and what Japan should do to prepare for the political transition?

MR. GREEN: Well, Mr. – I think today, right, Donald Trump is meeting Henry Kissinger. So you know, maybe there will be an epiphany for Mr. Trump, or maybe Henry Kissinger will – (laughter) – suddenly start talking about the world differently.

You know, the U.S. is going to need Japan and Korea to do more. It's just the reality. The challenge for North Korea, in conventional forces, is declining, but the nuclear-chemical-biological missile threat, and cyber, is all growing, and to Japan. The challenge maintaining stability as China uses coercive tools – builds airfields out of undersea features, very possibly next in the Scarborough Shoals, which would give China complete air coverage, with its Su-20 (ph) fighters, over the whole South China Sea so-called nine-dash line. These are big challenges.

So the reality is the next president, whether it's – you know, whoever it is, is going to want Japan and Korea to do more. However, I think what Mr. Trump clearly doesn't recognize or care to recognize is that the effectiveness of alliances, really it's not – it's not like a real estate business deal where you look at a ledger sheet and see who's paying for how much. No less important are questions of jointness and interoperability. If the U.S. and Japan move towards more joint and interoperable cooperation where our forces can move quickly together, that's worth, you know, another 10 percent growth in the defense budget.

And so that, in terms of deterrence, dissuasion, signaling China and North Korea, being able to respond to a crisis, that's real deterrence. That's real – and that's not just a simple, you know, ledger sheet. You know, how much risk an ally takes matters, and clearly Mr. Abe is taking on more risk to make the alliance closer, for good reasons. He faces more challenges. And the Korean side has also – and Australia, for that matter.

So, you know, yes, I think any president will want our allies to do more because of the challenges and because of our global pressures we now face – clearly ISIS, Russia – but the way you measure that is not like a real estate deal where you sort of count the ledger sheet and who – you know, a very simple transactional equation. The effectiveness of the alliances and how much each side is doing in terms of taking on risk, jointness and so forth, is quite important. And there I think Prime Minister Abe has a good story to tell.

What's not clear is whether Mr. Trump's frequent criticism of Japan and Korea is having an effect on American public opinion. I haven't seen any evidence in the polls that the American people like or trust Japan or Korea less. You know, in some ways in Tokyo, this is alarming because it's so much like the 1980s and the old Japan bashing, which is probably why you guys love it, because it's – journalism was really exciting in those days. And Mr. Trump's criticism of Japan is very much sort of an unchanged version of what he was actually saying in the 1980s about Japan and Korea, at a very different time when – you know, at the height of the Cold War Japan was buying Rockefeller Plaza and shirking defense responsibilities.

Any examination would show that that we're in a very different place now. So we'll see. We'll see whether it affects public opinion. We'll see whether Henry Kissinger affects Donald Trump. But it is a level of uncertainty that we've not seen in our alliances really since Jimmy Carter, when he promised to pull out of Korea, which really shook the entire region, all of our alliances, and took several years to undo. So we're in some new territory.

MR. SCHWARTZ: All right, we're going to do one more. Yes, ma'am.

Q: Yeah, one last question. Miao Yu (sp) from the Voice of America's Mandarin Service.

As we know, there is this lawsuit going on between Philippines and China and the ruling is going to come out very soon. So at this point, Obama's visit to Vietnam, will that send any message to China and to the Southeast Asia?

Second question is, I'm just wondering if you know if it's the president's personal wish to visit Hiroshima and whether that will send a message to the neighboring countries.

MR. GREEN: I'll start. So I'm sure it's his personal wish to go to Hiroshima. And frankly, I think most American presidents, at a personal level, would probably want to do that.

In terms of the arbitration ruling, it will – Murray, tell me if I'm wrong, but it's not going to come out before this trip. It will come out some – at the earliest June, I would think, and maybe later. It is probably going to be – most experts think it will be favorable to the Philippines. And the question is, how will China respond or how might China preempt this decision by somehow demonstrating that it's not bound by it, which could include moves like building new airfields in Scarborough Shoals or other actions.

So it's very important to deter and convince China not to do that. Secretary of Defense Ash Carter recently was in the Philippines. The Aircraft Carrier Battle Group Stennis showed a quite visible presence. My understanding is that the Chinese were sending two large barges towards Scarborough Shoals and they turned around. So it seems to have been effective, but this is doing to be a constant contest.

Going to Vietnam shows the U.S. is committed to Southeast Asia. And I think this is the first time, if the president does go to the East Asia Summit in Laos, which I expect he will, I

think this will be the first time ever an American president has gone to Southeast Asia twice in a year.

So that's all important to set the context when this tribunal decision comes out. I think the administration will have a lot of support from the EU, Japan, Australia, Korea, Canada in calling on Chinese to abide by the decision. ASEAN, the Association of Southeast Asian Nations, is much more complicated. And Chinese Foreign Minister Wang Yi claimed earlier this week that Laos, Brunei and Cambodia were on China's side on this issue, although those countries didn't really speak for themselves.

So in some ways the most important voice in respect to this tribunal will be ASEAN, and whether ASEAN can speak with one voice, and that's not going to be easy. And I imagine that's going to be an important part of this trip and the diplomacy that follows.

I don't know if you want to – yeah.

So thank you all. We'll be, in a variety of ways – on COGITAsia, our blog, and on the Asia Maritime Transparency Initiative website, and in other ways – updating what's happening in the region and on the trip. So thank you very much for joining us.

MR. GOODMAN: And if you're a real glutton for punishment on the G-7, today at 3:30 upstairs we have a panel – an expert panel from the Japanese, U.S. governments and an NGO expert on the G-7 agenda. So you're welcome to come to that. Thanks.

MR. SCHWARTZ: Thank you.

(END)