CENTER FOR AMERICAN PROGRESS

“THE CRITICAL RELATIONSHIP BETWEEN THE UNITED STATES AND CHINA”

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JOHN PODESTA: Good morning, everyone, and welcome to the Center for American Progress. I’m John Podesta, the president here at the center. I am pleased that you could all join us today for this important and timely discussion of the U.S.-China relationship.

The event is part of a larger dialogue that CAP is hosting this week with the China-United States Exchange Foundation. C.H. Tung is the chairman of that foundation, and we are combining forces to have a strong and intense dialogue.

Last year, we visited Beijing with a delegation of American policy experts to discuss the path forward for the U.S.-China relationship. This year, we’re pleased to host a high-level delegation of Chinese representatives and to continue our ongoing conversation about the critical issues at hand.

We hope that our dialogue will facilitate a greater understanding and more strategic trust between our two countries and advance our diplomatic, political and economic relationship.

To that end, we held a discussion with Chairman of the Joint Chiefs of Staff Admiral Mike Mullen here at CAP last week. And we’re hosting this conversation with Secretary Jim Steinberg today and, later today, Senator John Kerry will be back here to give a Capitol Hill take on the U.S.-China relationship.

We also spend today and tomorrow, our combined delegations, digging deeper into shared concerns and points of friction through detailed dialogues with our counterparts in the Chinese delegation.

And so we’re very fortunate to be here this morning and into the afternoon to have two distinguished diplomats to kick off our morning’s discussion, Sandy Berger and Secretary Jim Steinberg. First, I’m going introduce Sandy Berger, of course, now chair of the Albright StoneBridge Group and former national security adviser to President Bill Clinton.

As national security adviser, Sandy guided U.S. foreign policy from the Balkans to Kosovo and Operation Desert Fox in Iraq on the passage of the historic PNTR, the permanent normal trade relations with China and then with Secretary of State Madeleine Albright, who is also in our front row. And I think Bill Cohen is here as well. Wendy Sherman – we’re having a little bit of a West Wing Clinton reunion, if you’ll forgive us, here.

But together, they kept a watchful eye and a strategy of diplomatic engagement to maintain a stability of the Korean Peninsula which is back so much in the news today, and I’m sure that Jim will discuss that.
I’m going to turn the podium over to Sandy in just a second to introduce Secretary Steinberg, who will deliver remarks. At the end of that, our colleague and senior fellow and also a Clinton alum, our senior fellow, Nina Hachigian, will moderate an audience discussion.

So now, it’s really a great privilege of mine to turn over the microphone to a great friend and a great friend of CAP’s and a great public servant, Sandy Berger. (Applause.)

SANDY BERGER: Thank you, John.

It’s a great pleasure for me to introduce Deputy Secretary of State Jim Steinberg to this U.S.-China dialogue. Early in the Obama administration, the president said that the U.S.-China relationship will define the 21st century, and there’s nobody more engaged in defining the U.S.-China relationship in the United States than Jim.

I had the pleasure of working with Jim in the Clinton White House as deputy national security adviser for which he did a terrific job. Some of you may know that the office of the deputy national security adviser in the White House is the size of a shoebox, very distinguished occupants in that office, but it’s higher than it is wide.

I would venture that say that when Jim was there, there was more brain power per square foot than ever before. Jim is well known for the inexhaustible energy he brings to everything he does, his sweeping knowledge and his intellectual rigor. There is not a single subject that Jim tackles that he doesn’t bring clarity to.

Over the last two years, Jim has traveled the world in pursuit of peace and stability from Central Europe to the Asian Pacific, from the Caucasus to Colombia. He has particularly been engaged in the U.S.-China relationship, an interest that goes back before this assignment, even before he was in the White House, a longstanding engagement with China which he knows very well.

In March, at a very critical time in our relationship when things were rocky, the president sent Jim and Jeff Bader to Beijing for high-level meetings to get the relationship back on the right track. And I understand that President Obama and President Hu, yesterday, decided that Jim should come back to China in the next week to try to deal with North Korea and other sensitive subjects. It’s a testimony to the high regard that Jim has held by this president and by the Chinese.

So it’s a great pleasure for me to introduce the deputy secretary of State, Jim Steinberg. (Applause.)

JAMES B. STEINBERG: Thanks, Boss. It’s especially meaningful coming from you. I have enormous respect and admiration for Sandy, who taught me so much and who was an extraordinary colleague.

And it is quite special to be here with so many friends and colleagues who work so closely together at a very important time in building the U.S.-China relationship. And I think if
we reflect back onto the long road that we’ve traveled, it’s important to keep that perspective, and it’s something that I’m going to try to touch on in my remarks which now come just a little over a year since I last had a chance to talk to CAP about China.

And I want to congratulate John and Nina and everybody involved in this effort. The exchange that you and the China-U.S. Exchange Foundation have convened is important under any set of circumstances, but especially timely to look at the question of strategic trust in U.S.-China relations. And you have the kinds of people here who can have a meaningful dialogue, who understand the deep opportunities as well as the challenges in this relationship.

And it’s befitting of the broad relationship that we have, I’m going to give a fairly broad overview of what I see as both the achievements in our relationship and also some of the challenges that we face going forward as we continue to build in this long trajectory of a relationship which has transcended administrations of both parties for a long period of time.

You know, it appears to be the flavor of the week if you were to read the newspapers around here that, somehow, the U.S.-China relationship is experiencing a serious downturn or a freeze or whatever the expressions are. But, frankly, we don’t see it that way. And I want to explain today and review how we look at the overall relationship and see the very concrete areas of ongoing achievement and cooperation that we have as well as some of the areas where we can do even more together to achieve common interest.

I think it’s important to recall, as Sandy suggested, the broad framework within which we have pursued U.S.-China relations. And as I say, it’s a framework that was established decades ago and has sustained us for a long time. As the president and secretary have said, we welcome the rise of a successful, strong and prosperous China that plays a greater role in global affairs.

And to protect and promote our national interests, we see it in our interests to expand our cooperation with China in solving global challenges while fully appreciating the complexities of managing relations with such an important emerging power.

We believe it’s in the interest of both the United States and China as well as our responsibility to the rest of the international community to work together to achieve solutions to the most vexing global problems. And with each step that we take to promote practical cooperation in support of our common interests, we build a foundation and expectation that we can achieve even more in the future.

We, obviously, have a very broad agenda ranging from regional and international security, the global economic crisis and long-term global growth, clean energy and climate, and these all form of elements of our strategic discussions. And continuing our engagement on these broad range of issues and the numerous initiatives underneath them, our mechanisms that develop mutual assurance and mutual confidence, we develop greater understanding through dialogue, which is made concrete by action and achievements. And that is the foundation, we believe, of building strategic trust in U.S.-China relations for the long term.
That’s why we place such importance on the establishment of strategic and economic dialogue between our two countries, this high-level dialogue chaired on our side by Secretaries Clinton and Geithner, and even today, we’re working to lay the groundwork for the third session of the U.S.-China strategic and economic dialogue next year.

And this allows us to have a broad-ranging discussion with only not only the State Department and Treasury but across the entirety of our government and our Chinese counterparts on issues ranging from regional and international economic issues, security issues, people-to-people exchanges and the like.

And so let me try to review where we are on some of these key topics today and on the steps we see going forward.

And I want to begin, probably not surprisingly, with security. We see one of the important challenges that we all face going forward is the need to promote security, peace and stability in East Asia. And as Secretary Clinton has laid out, this is part of a – there’s a three-pronged strategy here of starting with our core traditional treaty alliances with Japan and South Korea, with Australia, Thailand and the Philippines but then, also, building strong relationships with the new, emerging powers and, particularly, in East Asia with India and China and Indonesia and complementing these bilateral relationships with more effective and comprehensive multi-lateral cooperation.

In this context, obviously, our relationship with China is really critical. And that’s why, both in building this bilateral relationship and, also, working with China in regional fora, we see great opportunities to strengthen stability and peace in the region for the long term.

We’re particularly pleased about the opportunity to strengthen our engagement through the East Asia Summit and appreciate the efforts of China in supporting the decision of the United States and Russia to join the East Asia Summit. This is also part of a broader effort that we’ve made by expanding our ties with ASEAN and including our participation in the first two U.S.-ASEAN summit meetings.

In addition to this, of course, it’s complimented by our work in APEC, which is another forum for regional cooperation in which China plays an important role.

This regional cooperation in dealing with security challenges is critical to the long-term future of the region, and we’re encouraged to see recently that China has taken steps along with ASEAN this past October to begin, for example, to discuss a formal code of conduct in the South China Sea where regional stability, freedom of navigation, respect for international law and unimpeded committees under lawful conditions are essential for all of us for the United States, for China, the other countries in the region and, indeed, of the world to be able to achieve our goals of a secure and peaceful commerce in the region.

Nonproliferation is another key area of security cooperation where our engagement with China has paid substantial dividends. We’ve been working together in the global context to strengthen the NPT and to work towards a world in which proliferation is addressed through
effective challenges both regionally and globally. China has played an important role in dealing with the challenge of Iran’s nuclear program as part of the P5 Plus One and the discussions that have been taking place in Geneva as well as our engagement in New York through the Security Council and the adoption of Resolution 1929 which imposed unprecedentedly effective and strong sanctions on Iran for its noncompliance with its international obligations.

And we will continue to work with China and appreciate China’s contribution to making this process work both as we pursue our efforts on dialogue and making clear that, if Iran is not prepared to move forward, that there will be substantial costs.

Of course, a second area where nonproliferation has hit the forefront is in the context of North Korea. And, as Sandy mentioned, that has obviously engaged much of our attention over the past months. The recent tensions on the Korean Peninsula, which have been caused by a series of provocations by North Korea, beginning with the Cheonan sinking and followed by the revelations of the Iranian enrichment program, as well as the artillery firing on Yongpyong Island, highlights the need for strengthened regional cooperation and, in that context, for strong U.S.-China cooperation on this important strategic issue.

We want to work with China to address this challenge. We have had important successes in the past on the presidential statement that the Security Council issued last year in response the missile test followed by Resolution 1874 later that spring in response to North Korea’s nuclear test.

We have demonstrated that we can work together effectively, and it’s critically important that China continue to play a strong role making clear to North Korea that there are consequences for its action just as we make clear, that if North Korea is prepared to move in a different direction, that there will be an opportunity for an increased and more positive engagement.

I think it’s critically important to recognize the steps that North Korea have taken and the consequences that they have for peace and stability in the region. So in the context of our interest in a stable and secure and denuclearized Korean Peninsula, China has a critical role to play, and we look forward to working together in a way that can demonstrate that all that our partnership is effective in addressing this critical challenge.

Part of dealing with these security challenges, of course, requires us to develop a strong bilateral dialogue with China, and we particularly welcome the recently resumption of bilateral military-to-military dialogue between the United States and China, something that I’ve talked a lot about here and elsewhere.

A sustained and substantive military-to-military relationship is critical to the health of our broader bilateral relationship and to solving the kinds of challenges that I have been discussing. So in this context, we’re looking forward to the defense consultative talks that will take place here in Washington in the next few days as well as Secretary Gates’ planned trip to China next year.
These interactions and discussions about substantive issues like defense policies and programs are important for making sure that we enhance transparency and try to avoid the danger that our militaries will become rivals. We need to ensure that this military-to-military dialogue is sustainable and durable and is not threatened by periods of disagreement when the need for dialogue is all the more important.

Of course, in the region, the One-China policy remains to be an important part of our overall approach to our engagement with China based on the three joint communiqués and the Taiwan Relations Act. And our policy is aimed on the promoting cross-strait stability (ph) and dialogue cross the straits. We continue to believe that appropriate defensive arms sales to Taiwan give Taiwan the confidence to engage the mainland, and we are encouraged by the positive steps that have been taken between Taipei and Beijing, and we want them to continue and urge them to continue to take steps that will continue to build trust and contribute to the stability.

There has been important progress on the economic front, and we want to see further progress in the future.

We’re also working hard in our bilateral relationship to strengthen other aspects of security cooperation, particularly in some of the non-traditional areas such as counterterrorism, counter-piracy, and law enforcement. Attorney General Holder visited Beijing in October and provided an opportunity to advance our cooperation in areas like transnational crime and international property violations. We also need to work together on some of the other great regional challenges outside East Asian Pacific and, particularly, I want to call attention to the need for us to continue to strengthen our cooperation on Sudan and the need to see an implementation of the comprehensive peace agreement, the CPA, and the importance of moving forward with the referendum in order to secure a stable future for the people of Sudan.

We also are working together in Afghanistan. It’s another place where we see opportunities for heightening our cooperation. So it’s a comprehensive security agenda, one that’s important to both of our countries and, as I said, as we work together, we not only enhance our own interests but we also contribute more broadly to regional and global peace and security.

Of course, the economy is also a critical part of our overall relationship as we work together bilaterally, regionally and globally to address the economic challenges of our time. It’s clear that China’s rise as a global economic power has been swift, and it’s changed the international trade and investment markets substantially. Both the United States and China’s long-term prosperity depends on our joint ability to resolve disagreements about how to best manage our deeply interconnected economies. And we’re working hard to do so through a number of mechanisms.

In addition to the S&ED, which I mentioned earlier, the U.S.-China Joint Commission on Commerce and Trade, the JCCT, meets regularly to discuss a wide variety of U.S.-China trade issues. In May, we held our first-ever JCCT mid-year review of trade issues, and the JCCT will convene again next week here in Washington.
Meaningful progress through the JCCT can contribute very significantly to a successful visit for President Hu early next year.

China’s domestic economy remains a strong engine for the global economy. We hope that, in increasing domestic consumption, China can become a catalyst for growth. We also have high expectations for continued improvements in China’s food and product-safety standard enforcement as well as for IPR enforcement.

We believe that stronger and better-balanced two-way trade and investment flows will strengthen both our economies and create more jobs in both countries. Although, as you well know, Secretary Geithner and the Treasury are responsible for currency issues, I can note that Chinese officials have reaffirmed a commitment to enhancing the renminbi’s exchange-rate flexibility. And we’re working to ensure progress in that direction in support of our global rebalancing efforts.

The United States supports a greater role for China in global economic institutions to promote global growth, including increasing China’s voting share at the IMF and the World Bank.

A third area of critical partnership, of course, is in environment and energy. The United States and China share an interest in the stable and sustainable energy supplies to fuel our economies. We’re working to encourage China to rely on open and transparent markets to satisfy its growing energy needs. And in that respect, we continue to encourage China’s engagement with the International Energy Agency and discussion of participation in a collective response to energy supply emergencies.

As the world’s two largest consumers of energy and emitters of greenhouse gases, we share responsibility to produce strategies to improving energy efficiency and advance our common interests on climate issues. We’re cooperating together on energy efficiency, civilian nuclear power, electric vehicles, carbon-capture and storage, renewable energy and the development of other – of China’s unconventional natural gas resources, especially shale gas.

We’ve also engaged on shared energy and environmental concern through action plans under the 10-year framework on energy and environment cooperation between our two countries. Under this framework, the Acro (ph) Partnerships Program has developed partnerships on issues such as energy efficiency and natural-resources conservation at a local level.

For example, the city the Greensburg, Kansas, and the city of Myongji (ph), both of whom face grave environmental disasters, are sharing green practices on rebuilding infrastructure while Tulane University and East China Normal are collaborating on research on wetlands conservation.

We’re also looking forward to constructive engagement with China in the coming days as well as with all other parties in the 16th conference of parties on climate change which is currently convening in Cancun.
Now, these all, of course, are matters of high policy, but it’s important to remember that
the diplomatic conversation between our nations has to be enhanced by strong understandings
and ties between our people. Mutual trust and confidence are not build in a vacuum, and they
very much involve greater understanding of the people in both of our countries of the steps that
we are taking together by governments to advance our mutual national interests as well as the
efforts that we are taking to engage our citizenry in these issues as well.

We’ve been making great strides in broadening and deepening our government-to-
government engagement with exchanges occurring across nearly all departments and ministries
of both our governments, but we need to expand and match that breadth at the citizen level by
promoting people-to-people exchanges that will help American and Chinese people gain a better
understanding of our politics, our economies, societies and cultures.

And it won’t be surprising hearing from me that we place particular importance on
educational initiatives that can help the next generation understand each other better to reduce
misunderstandings, prejudgments and to build strategic trust.

For example, the 10,000 Strong Initiative sets a specific benchmark for growing the
number of American leaders and citizens who understand China through direct experience and
connections with the Chinese people over the next four years.

We can’t – when we’re talking about the human-to-human dimension, of course, it’s
important to recognize the important role that human rights plays in that dimension. This is an
important subject matter between our two countries, and the United States continues to be
concerned with the Chinese government’s tight control of activities and the people that
authorities in China deem threatening to the communist party as well as restrictions in
monitoring of Internet content, including the websites of foreign media outlets.

We hope that China will take positive steps on human rights, including a release of Nobel
laureate Liu Xiaobo. And we recognize that we will continue to have disagreements on these
issues, but we feel it’s important to address these responsibly and directly.

Now, all of these developments in this broad-ranging relationship can be seen in the
context of the deep exchanges that have taken place at the highest levels between our two
governments. From the first days in office when President Obama and President Hu spoke on
the phone to their meeting in London at the first G-20 meeting, the level of exchange and
engagement has made an important contribution to building an atmosphere of understanding and
trust and to helping us find ways to deal with common challenges.

President Hu’s state visit in Washington in January will be the eighth meeting of our
presidents since President Obama took office and follows just a few months after the meeting of
the two presidents during the G-20 in Seoul. So we have yet another opportunity to continue to
build on all of the critical issues that I have discussed today, and both sides are working hard to
try to make that a successful and productive visit.
In closing, it’s clear from this that we have achieved a lot, but there’s also important work ahead of us to make sure that our relationship produces the kinds of results that both of our countries need and expect for our people. We’re actively building a relationship to find bi-common interests and join efforts to manage and resolve global challenges as we work together with each other bilaterally and regionally and within our institutions to shape the landscape of the 21st century.

As President Obama has pointed out and Sandy made reference to, the relationship between China and the United States will be one that will shape, profoundly, the 21st century. So thanks for your attention, and I look forward to our conversation. (Applause.)

NINA HACHIGIAN: Jim, thank you very much for, as usual, very insightful and comprehensive comments.

Let me – since I have the microphone – take the opportunity to ask the first question, and then we’ll open it up.

Despite what President Obama has said and what Secretary Clinton has said and what you have said about welcoming a strong and prosperous China, there is still, I found, a pervasive sense in China that maybe American people don’t appreciate that America really wants to keep China weak and that many of our actions are explained by this desire to keep China contained and weak and divided, et cetera.

And I’m wondering how you respond to that.

MR. STEINBERG: Well, I think, Nina, it goes to the point I made towards the end about the need to actually go beyond the government-to-government exchanges to have a broader dialogue between our people. Because I think that these kinds of uncertainties, mistrust, doubts are, in part, a function of the fact that there isn’t as much transparency and understanding as I think both sides would like and need.

We have to find ways to communicate. We have to find ways to address people directly, to have the kind of engagement where questions get asked and answered. And if there are concerns on the part of Chinese citizens about U.S. actions, that we have a chance to engage and try and answer and explain our positions.

I have to say, in this respect, that that’s why we place so much important on media freedom because we think it’s important to make sure that all voices can be heard and not just some. It’s not because we have designs or negative views about the Chinese government, but we think, in an atmosphere of openness, that viewpoints can be heard, that debate can take place and not just some voices.

So I think that that dialogue is a critical part of giving a people a chance to understand, to air their doubts, to have the kind of back-and-forth and interaction that can help dispel misunderstandings and build the kind of trust that you’ve been discussing.
MS. HACHIGIAN: So why don’t we start with questions from a member of the press? We’ll start there.

Q: Thank you for this opportunity. My name is – (inaudible) – with Radio Free Asia.

On North Korea, a lot of U.S. officers are talking about the Chinese pressure, including you. So I think this is not a new idea, and my question is: What kind of real leverage does United States have to move China to put pressure on North Korea? Thank you.

MR. STEINBERG: I don’t think it’s a question of leverage. I think we have a shared interest in making sure that North Korea lives up to its past commitments on denuclearization and stops engaging in provocative behavior which threatens the security of all of the countries in the region.

So we have a common set of interests, and now we have to find a common pathway forward. We believe it’s critical for all of us to make clear to North Korea that there are consequences for its actions, whether it’s the Cheonan, whether it’s the artillery firing, whether it’s the development of nuclear programs that are in violation of Security Council resolutions. And, at the same time, that there is an opportunity that, if North Korea moves in a different direction, to have a more common perspective.

We have worked together to do that in the past, as I say. Last year, in the presidential statement after the missile test and the Resolution 1874, after the nuclear test, it demonstrates that we do have both a common view about the what the objective is, and we are able to work together to communicate that view.

And so I think that’s the focus that we have right now, and that will be the focus of our engagement in our discussions with China. It is in our common interest to send an unequivocal message to North Korea that it is not going to be rewarded for provocative behavior, that there are consequences for provocative behavior, and that, if North Korea really does seek a more productive engagement with other countries in the region and the other members of the six parties, then it needs to take some concrete steps to demonstrate its seriousness of purpose.

MS. HACHIGIAN: Okay. Let’s take one more from the media. You, sir?

Q: Thank you. (Inaudible) – News Agency South Korea.

After Secretary Clinton’s meeting with South Korean and Japanese foreign ministers yesterday, the China foreign ministry, again, called for an emergency meeting of six nuclear envoys to the six-party talks. So what do you think of it?

Also, another question is: How would you respond to the quick decision that China’s – the Obama administration’s policy on North Korea is a bit stronger than the Bush administration’s or the Clinton administration’s to provoke North Korea to increase nuclear weapons and increase either provocations?
Thank you.

MR. STEINBERG: Well, you know, first, I think we’ve made clear that we do not believe it’s productive at this time to convene the six parties. What we’ve seen in the past is that talks for the sake of talks do not produce the kinds of results that we all need to see to move the Korean Peninsula in a more stable and peaceful direction and that, in order to create the context for productive discussions, we need a clear indication from North Korea that it understands that this pattern of provoking and then hoping that people will reward it to stop the provocations is not one that we’re going to sanction.

So we need to see some evidence that, were there to be these kinds of discussions, that North Korea is ready to move back into implementing its commitments under the 2005 joint declaration and to halt its provocations.

We’re, obviously, ready for dialogue if dialogue can be productive, but I think it’s important, in light of what’s happened over the last several months, to have a clear indication, a concrete indication from North Korea that it’s prepared to do something significant in the context of the discussions rather than just sit around the table.

I’m not sure I understand your question about our policy except to say that we are very clear that we’ve seen a pattern over the past decade or more in which North Korea begins to move into dialogue and then doesn’t fulfill its commitments. And that’s puts us all, I think, and puts the situation in more dangerous situation than it had been before.

And so our policy – and I think it’s been a shared policy, particularly with our South Korean and Japanese colleagues – is to make clear that, while we welcome the opportunity for dialogue and discussions, we need to see evidence that North Korea is prepared to take concrete and irreversible steps to deal with its nuclear program and to end its policy of provocation.

MS. HACHIGIAN: We’ll move on.

Q: Thank you for the opportunity. My name is – (inaudible) – with Chinese Media Net.

My question is in President Hu and Obama’s phone call yesterday, they agreed that the fragile security situation on the Korean Peninsula, if not properly handled, could lead to further escalation of tension. However, the U.S. conducted massive military exercise in territory near China can also be quite alarming and provocative. And may I ask you to comment on this issue?

And, also, the second part of the question is, as the U.S. conducts the largest military exercise near China, it’s easy for China to perceive the U.S. using North Korea as bait to target China. How do you lessen the worry in China?

Thank you very much.
MR. STEINBERG: First, you won’t be surprised to hear that I disagree with that characterization of our exercise. What we’ve demonstrated is that the United States will stand by its alliance obligation to South Korea and that, if North Korea engages provocative behavior, the United States and South Korea has the capacity to respond as necessary.

So we view this as stabilizing. It sends a clear message to North Korea that it needs to desist in its provocations or that will be consequences if it engages in that kind of behavior. And we think this is an element of stability creation rather than the opposite.

With respect to the implications for China, we’ve made very clear in all of our discussions, both public and private, that our responses are being driven by North Korea’s behavior. They’re not directed at China. And this is a reason why I believe it’s important for China to work with us to restrain North Korea just and to point it back in a direction of meeting its international obligations with respect to its nuclear program.

Going back to Nina’s first question, to the extent that there are questions or uncertainties about our intent, we’ve certainly tried, through our public discussions about this, but we would welcome more dialogue both on a military-to-military level with the Chinese military authorities on the political level but also on the people-to-people level because we think it’s very clear what our purposes and our intent are, and we are perfectly prepared to discuss with those who have questions about it just why we’re doing what we’re doing and why we believe that what we are doing is both driven by the North Koreans’ behavior, which is important, and the only way to assure peace and stability in response to this because, what we do know is, without a clear indication of our determination, that the North will feel free to engage in this kind of provocative behavior.

So we have to make clear that we will stand by our ally, and we’ll stand by our own national security interests.

MS. HACHIGIAN: Yes?

Q: Thank you. Ralph Winnie with the Eurasia Center.

If the U.S. went out on a limb and engaged in formal recognition of North Korea as a sovereign nation, similar to what Japan and South Korea have done, how do you think that would change the dynamics? And is that something your Chinese counterparts have suggested might be a way to move things forward in dealing with the conflict with North Korea?

MR. STEINBERG: You know, I think we’ve made clear, as previous administrations have made clear, that we do not have a hostile intent vis-a-vis North Korea; that we’re prepared for dialogue with North Korea. North Korea is a member of the United Nations, and so there’s no problem with our engaging with North Korea if and when the North Koreans demonstrate that they are seriously interested in moving forward in a productive direction.
So this has been – there have been plenty of opportunities for that kind of engagement to take place, and what we would like to see, under these circumstances, is a clear indication from the North that it wants to pursue dialogue for the purposes of achieving concrete results.

We’re prepared to address concerns that North Korea has in the context of a meaningful dialogue so long as we have a clear indication that North Korea is prepared to meet its only obligations.

MS. HACHIGIAN: Other questions? There in back?

Q: Gregory – (inaudible).

I know this Friday, the president is going to meet some Chinese dissident (ph) in the White House, and it is on the eve of the Nobel Peace Prize Laureate’s ceremony.

Can you talk more about who the president is going to meet? And in what form it’s going to be in? Which room in the White House is going to have the meeting? Thank you.

MR. STEINBERG: As you may have noticed from the introduction, I am the deputy secretary of State. So you’ll have to direct your question to the White House.

Q: Arshad Mohammed of Reuters.

Can you shed any light on how you would like China to make clear to North Korea that its actions have consequences? Is this simply a matter of suasion? Or would you like them to actually consider doing or actually do things that may constrict or affect their trade and economic relations with the North?

And, secondly, do you have any sympathy for what, at least Chinese academics say, is part of the Chinese calculation here? That is to say that undue actions on their part could have a significant effect on North Korea as a relatively fragile time in its history and when it’s undergoing a succession process?

MR. STEINBERG: Well, on the specifics, Arshad, I think this is something that we look forward to discussing with the Chinese. I think we want to share views and get their perspectives on that as well.

But there are a number of steps that may make sense, and I think it’s importance for us to have that conversation with our Chinese counterparts.

In terms of the fragility of the situation there, I think our view is quite clear, which is that, without a strong message of the necessity of the North Koreans to exercise restraints, that’s what creating the instability and the fragility. The tension that we see and the dangers that we see come from the fact that there does not seem to be effective restraints on North Korea in engaging these provocations. So we have to take steps to make clear that the dangers come from this
provocative behavior and, rather than sort of stepping back and tolerating it, we need to make clear that there are consequences for it.

So that’s a perspective that we have and will share with all our partners in the region as we continue this dialogue.

Q: Thank you, Mr. Secretary.

My name is Nadia – (inaudible) – Times. I have two questions.

First of all, during our conversation with Chinese counterparts, have you ever got implication or message that China will accept unified Korea under, you know, the South Korea’s rule?

And the second question is: In the cross-tribulation (ph), you say you want to see the both sides making progress in economics and in other issues. I wonder what “other issue” means. Can you, you know, shed light on this, you know, the content of what you just mentioned? Thanks.

MR. STEINBERG: Well, on the second, we were very encouraged by China’s decision to support Taiwan’s participation as an observer in the World Health Assembly. We think there are other opportunities for the two to work together in places where the membership is not membership based on being a sovereign state. We’ve discussed with China some of the particular institutions and organizations. For example, on climate change, there’s an opportunity where Taiwan could play a constructive role and it would be in the interest of all of us to have Taiwan engaged in some particular format.

So I think there are a broad range of areas in which there’s opportunity for dialogue and progress in the relationship.

With respect to the future of Korea, I think, in the end, you know, what’s important is that this is a decision that we would like to see the two Koreas to engage on. That’s the appropriate mechanism for resolving that. We have some responsibilities as signatories to the armistice, of course. But the right answer is for the two sides to engage. And one of the things that we have strongly encouraged is for North Korea to reach out to South Korea to make clear that it understands the seriousness of what it has done in these recent provocations and to try to move forward to the basis of some of the past North-South engagements, including the North-South Declaration which I think is the right framework in which to think about these problems.

MS. HACHIGIAN: Okay. We have time for only one more question, unfortunately.

Q: Thank you. (Inaudible) – with the China Press.

Yesterday, The Washington Post reported that one of the senior officials in Obama administration accused China of enabling North Korea to take provocative actions and, also,
right now, the United States is defining its relationship with South Korea and Japan and maybe create an anti-China bloc in Northeast Asia. What’s your comments on this report?

And, secondly, do you think the WikiLeaks documents will have any negative impact on U.S.-China relations? Thank you.

MR. STEINBERG: On the latter, we’ve, obviously, made our position on WikiLeaks clear. And I’m confident that both sides understand the important and strategic interests that we have at stake in the relationship and that we will move forward on that basis.

I don’t tend to comment on anonymous quotes in newspaper stories, and you’ve heard my views on what I think is the state of play between us and China on North Korea.

So, thank you all. Thank you for being here.

MS. HACHIGIAN: Please join me in thanking Deputy Secretary Steinberg. (Applause.)

Thank you all for coming. I’d like to ask everyone to please remain seated until our speakers have had a chance to leave the room.

(END)