

KOREA CHAIR PLATFORM

CSIS Korea Chair is proud to present the third in a series of Korea Platforms featuring remarks from the distinguished speakers at the annual JoongAng Ilbo-CSIS Forum which took place in Seoul on May 21. The 2013 Forum was entitled "Kim Jong-un's Gamble and the Crisis on the Korean Peninsula."

May 2013 JoongAng Ilbo-CSIS Forum Keynote Address

By Senator Richard G. Lugar
May 21, 2013



Senator Richard G. Lugar is the President of the Lugar Center, a non-profit organization focusing on nuclear non-proliferation, food security, foreign aid effectiveness, and other critical issues. Senator Lugar also recently announced the creation of the Lugar Academy at the University of Indianapolis. He was also recently named a Professor of Practice and Distinguished Scholar at the new School of Global and International Studies at Indiana University and a Visiting Distinguished Professor at Georgetown University's Global Public Policy Institute. Senator Lugar left office as the longest serving member of Congress in Indiana history. In addition to being recognized as a gifted local and state leader, Lugar is a respected national and international statesman, exercising leadership on critical issues such as food security, nuclear non-proliferation, energy independence and free trade. Lugar has been a leader in reducing the threat of nuclear, chemical and biological weapons. In 1991, he forged a bipartisan partnership with then-Senate Armed Services Chairman Sam Nunn (D-Ga.) to destroy these weapons of mass destruction in the former Soviet Union. To date, the Nunn-Lugar program has deactivated more than 7,600 nuclear warheads. He attended Pembroke College at Oxford University as a Rhodes Scholar, studying politics, philosophy and economics. Senator Lugar volunteered for the U.S. Navy in 1957, ultimately serving as an intelligence briefer for Admiral Arleigh Burke, chief of Naval Operations.

I am grateful for John Hamre's introduction and the opportunity to spend time with good friends thinking through the intricacies of policy related to the Korean Peninsula and the Asia-Pacific region. I thank the JoongAng Ilbo, the Center for Strategic and International Studies, and everyone who worked so hard to make this Forum a success. Today, we will have the benefit of truly outstanding panels that will stimulate fresh insights into our options.

I am especially pleased to be in Korea so soon after the impressive visit of President Park to the United States earlier this month. At every stop, she struck the right notes in reaffirming the special relationship between the United States and the Republic of Korea. Her visit to the Korean War Memorial was a poignant embrace of American Korean War veterans who

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sacrificed much for her country. And her address to a joint session of the U.S. Congress was received with genuine enthusiasm. To all appearances, she and President Obama established a strong personal relationship during her visit. The Korean-American relationship is so fundamental to the economic and security interests of both countries that it does not depend on the personal ties between top leaders, but it is always an advantage if such a relationship exists.

President Park's visit came in the continuing context of the U.S. pivot to Asia, as well as North Korea's recent provocations. The Obama Administration's announced pivot, or re-balance, toward Asia is still a work in progress. Its good intentions are confronted with budget realities and the historic lessons of whether such efforts endure over time.

When President Obama first announced the pivot, he prompted an outpouring of commentary and speculation about what it might mean. While much has been made of this policy as a new phenomenon, several of his predecessors made well-publicized turns of attention toward the region. In 1953, for instance, then Vice President Nixon visited more than a dozen countries across the Asia Pacific region in an effort to address President Eisenhower's concern that the United States was ignoring the emerging Asian nations. Later, of course, President Nixon made his historic trip to China. President Carter offered another dramatic change in policy when he established diplomatic relations with Beijing. More recently, upon taking office in 2000, the George W. Bush administration announced that it would strike a more assertive stance toward China and prioritize the U.S.-Japan relationship, which it felt had been neglected by President Clinton. However, the subsequent re-focus of our country's global priority on fighting terrorism was one of several factors that diminished the Bush administration's original plans for emphasizing Asia.

Many have viewed the pivot to Asia primarily as a security matter. Former Secretary of Defense Leon Panetta, at the Shangri-La Dialogue last year, described it as "a new defense strategy that the United States has put in place and why the U.S. will play a deeper and more enduring partnership role in advancing the security and prosperity in the Asia-Pacific region." Yet there are myriad opportunities for cooperation and investment that would enhance social and economic development.

My own view is that if the pivot to Asia is to have durability it should embrace more than the security and trade issues that are most frequently associated with U.S. relations with Asia. My preference would be for the United States to seek much greater coordination with Asian partners on energy security. In Asia, this topic has deep historical resonance. Most Asian countries see ensuring stable supplies of energy as a key to sustained economic growth and political stability.

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The United States has made startling gains in domestic energy production, but we remain highly vulnerable to our dependency on oil. Perhaps equally important, even if we are able to produce more energy at home, we cannot insulate ourselves from energy-driven shocks to the global economy. Threats to the energy supplies of individual trading partners can impact the U.S. economy. It is in the United States' own interest to cooperate with other nations in improving the global system of manufacturing and moving energy supplies. In East Asia, this initiative could include research on renewable sources of energy, consultation to prevent energy supply shortages, and joint planning that gives economies confidence that adequate energy supplies will be available in the long term.

In the short term, I am hopeful that the United States would authorize increased liquefied natural gas exports to allies in Asia, as well as Europe. In the United States, the LNG export debate has focused on fears that allowing more exports would raise natural gas prices for American consumers. The debate also has an environmental component with some arguing that natural gas in excess of America's immediate needs should be left in the ground to prevent greater releases of carbon.

Our domestic debate is an important one, but I believe the evidence is strongly in favor of greater LNG exports, not only because of their economic value, but also because they would contribute to global stability.

During the last several years, I have promoted the construction of the Nabucco natural gas pipeline originating in Azerbaijan. This project would diversify the energy supplies of a number of European allies that are overly dependent on Russian natural gas. By threatening price increases or even suspension of exports, Russia has occasionally attempted to use its strong position as a natural gas exporter to extract political concessions from its customers. The lesson some countries in Europe have learned is that diversification of energy supplies is essential for both economic and political security.

New major pipelines cannot reach every country. But liquefied natural gas technology offers great flexibility in dispersing energy resources from reliable suppliers. The United States should be one of those suppliers, with Korea a natural destination for some of these increased exports. The more reliable energy options that are available to countries, the less likely it is that energy supplies will be a source of friction that could threaten peace and economic advancement.

Closer consultation on energy issues also would have merit in facilitating broadened engagement with China, which is the world's leading energy consumer. China exists as both an adversary to

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certain U.S. interests, and a fellow traveler sharing mutual goals and vulnerabilities on others. The ongoing challenge will be for the United States to discern, sometimes issue-by-issue, whether China is an adversary or a partner.

I am more optimistic than some that the United States and China, which have become extraordinarily co-dependent, can continue to improve our relationship over the long run. But this will be a complex process that carries exceptional risks.

Most American leaders, regardless of party or institutional position, recognize the importance of Asia to the United States. Yet the uneven history of U.S. diplomatic engagement with Asia has generated some understandable skepticism among our Asian friends about the staying power of any new initiative.

I say with great confidence, however, that our bilateral relationship with South Korea has been far more consistent. The United States and the Republic of Korea have demonstrated over the last 60 years our enduring and unshakable commitment to each other. In essence, the ROK-U.S. relationship is above the pivot. The importance of the U.S. relationship with South Korea is understood not just by American academics and politicians, but also by the American public.

Our bonds are strengthened by the 1.7 million Americans of Korean descent and their enormous contributions to American economic and cultural life. From a different perspective, the hundreds of thousands of American servicemen and women who have served in Korea during and since the Korean War enhance public understanding of what is at stake on the Peninsula and are a living reminder of America's commitment to Korea.

I would also note that South Korea sends more students to the United States each year – roughly 72,000 – than any country except China and India. Almost one out of ten foreign students at U.S. schools is from South Korea. To put this in further perspective, there are more Koreans studying in the United States than the combined number of students in the U.S. from the six largest NATO contributors.

The Korea-U.S. Free Trade Agreement is another testament to the strength of our relationship. The U.S. domestic political environment has not been favorable toward the conclusion of free trade agreements in recent years, a condition that makes the Korea-U.S. Agreement all the more noteworthy. I am confident that the Agreement will provide a basis for further expansions of our economic relationship.

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This spirit of mutual endeavor was celebrated by President Park during her speech to the U.S. Congress when she said “Bound by trust, guided by shared values, we are cooperating across and beyond our own boundaries.”

Against the backdrop of the incredible economic progress that has defined South Korea and much of East Asia during the last several decades, North Korea remains a sad and frustrating anomaly. All of us look forward to the day when peace and security prevail throughout a unified Korean Peninsula and all Koreans enjoy the freedoms and economic prospects of those in the South.

I understand the thinking behind the so-called “strategic patience” policy of the Obama Administration. American officials should not overreact to every North Korean provocation, reward bad behavior, or float proposals that have no possibility of success. But strategic patience cannot be applied indefinitely to a problem that is deepening with the passage of time. If it is, strategic patience becomes little more than a policy justification for avoiding the problem and the potential political consequences of making a mistake. The Obama Administration should be sober about what can be accomplished in the short run, but it must be willing to consider a wider range of strategies, even if they carry some risk.

I believe President Park’s posture toward the North, clearly stated while she visited Washington, is an excellent starting point that deserves U.S. support. President Park emphasized the inseparable alliance between the United States and the Republic of Korea. She underscored her intent to resolutely and calmly stand up to any North Korean military provocation or threat and to maintain the highest degree of military readiness. She reiterated that her nation would not accept North Korea’s nuclear weapons capability.

But she also voiced her intention to pursue trust building measures. I believe there is an opportunity for South Korea to create new criteria through which constructive engagement with the North can occur. The United States should be willing to let Seoul take the lead in maintaining an open invitation to dialogue. I am hopeful that North Korean officials would reciprocate. The United States should fully support the South Korean trust building program and reduce rhetoric aimed at the North, while continually making clear U.S. security guarantees and the cohesiveness of the U.S.-ROK alliance.

Meanwhile, the U.S. should work to reduce friction between other countries in the region that inhibits regional action. We all are aware of the territorial and sovereignty issues that are roiling the waters of Asia, and they remind us of the sensitivity associated with reoccurring topics of

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history. It is incumbent that all the nations involved in these disputes exercise restraint and give top diplomatic priority to resolving them. The United States must stand firm with our friends throughout Asia and actively pursue prospects for free trade with open sea lanes and other policies that will strengthen economic growth.

The United States also should encourage much greater attention among friendly nations to constraining the illicit activities of North Korean trading companies that have functioned as conduits for nuclear proliferation and the dissemination of weapons technology. The North Korean threat is global in nature and should not be defined merely by the range of its missiles. This effort would not require a new U.N. Resolution or international agreement. On a country-by-country basis, responsible leaders could make much progress in inhibiting North Korea's illicit activity.

Working together for the last sixty years, the Republic of Korea and the United States have averted major war on the Korean Peninsula and built our own bilateral relationship into one of the strongest on Earth. We should have confidence going forward that our mutually-held values of human dignity, economic opportunity, and democracy will prevail.

I thank you for the privilege of being with you this morning, and I look forward to our conversations.

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