

# KiFS Special Feature Forum

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## Korea-US Alliance and its Future Prospects

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**Park Jin (KiFS):** Good Afternoon, Ambassador Vershbow, Professor Yoon Young-kwan of Seoul National University, Editor-at-Large Mr. Kim Young Hie, Editor in Chief Mr. Moon Chang-geuk, and ladies and gentlemen. Welcome to today's discussion co-hosted by Korea Institute for Future Strategies and Joongang Ilbo. I am Park Jin, President of the Institute.

First, I'd like to thank Ambassador Vershbow for graciously accepting our invitation to this forum. I would also like to thank Joongang Ilbo for their full-hearted cooperation. For the Korea-US alliance to strengthen and broaden its horizon, it's important for us to have a better understanding of its social, political, and economic context within which the alliance functions. At important times like these, such understanding is crucial in enhancing mutual trust which is the very foundation upon which the alliance stands. In this regards, it is very meaningful to have this opportunity with Ambassador Vershbow who has done a marvelous job for both countries for the past 3 years. I hope today's discussion will be another facilitator in this regard and once again, I'd like to thank the people who made this opportunity possible.

**Kim Young Hie (Joongang Ilbo):** Ambassador Vershbow, you arrived in Korea to meet challenges including North Korea, the Korea-US Free Trade Agreement, beef issue and anti-US beef demonstrations whether you accepted them or not, challenges first by the so-called egalitarian, nationalistic governments' foreign policy. We're sorry to hear that you are going to leave Korea in September. You have accumulated a lot of experiences and memories both good and bad. I guess this session then, is a review of your track records. I hope it will be a very productive session through which the Joongang readers will be enlightened. Thank you.

**Moon Chang-geuk (Joongang Ilbo):** I am very happy to welcome all of you to today's forum. Correct me if I'm wrong, but I am not sure if we can hold this forum. I raise this problem because there are rumors that Ambassador Vershbow is not leaving Korea until December. The rumor says that since the Senate hearing to confirm the successor has not yet been held, he is likely to stay another 6 months. I'm of course, just joking.

Korea Institute for Future Strategies is a good partner organization for Joongang Ilbo. We have collaborated on a few projects together in the past. I hope today's discussion will yield fruitful outcome.

Since the Lee Myung-bak administration set sail, I predicted that Korea-US relations will improve. I had not expected that the administration would face such challenges as the 'beef issue' just after two months. I am concerned that this would lead to anti-American sentiment, again. It's my thinking that anti-American sentiment still lurks in Korean people, especially among the common people. I wrote my thesis on the Korea-US conflict and my hypothesis is that foreign policy becomes more difficult if it starts to involve the public and the likelihood of anti-American sentiment spreading increases. Therefore, the most important task in managing the conflict is about framing it at the higher level and this is particularly true for the Korea-US relations. The same can be applied to the beef issue.

I hope today's discussion could be a stepping stone in facilitating the Korea-US alliance to become a fortified structure with Northeast Asia for the next 50, 100 years to come.

**Yoon Young-kwan (KiFS):** It's my great pleasure to be here and have this opportunity to chair this panel on Korea-US relations. I'd also like to express my sincere gratitude to Ambassador Vershbow and Mr. Kim Young Hie and Mr. Moon Chang-geuk of Joongang Ilbo for making this panel possible.

If my memory is correct, Ambassador Vershbow was sworn in as the Ambassador to Korea in October 2005 and took over his duties on October 17th. As was reported in the Korean media, you will be going back to the US soon. As Mr. Moon mentioned, we sincerely hope that you would stay in Korea for a longer period of time.

I think the 3 years that you served as the Ambassador was an important period in the history of the bilateral relationship. Like in all other interstate relations, there were ups and downs and we all know that you worked very hard to strengthen the bilateral relationship and we truly appreciate your efforts.

As we all know, there was a summit meeting between President Lee Myung-bak and President George W. Bush about a month ago. They agreed to strengthen the alliance relationship into an overall strategic relation. I think it was a positive development for the future of the bilateral relations.

However, there are heated debates and political confrontations about the US beef imports. Many young people are participating in demonstrations nowadays. On the other hand, we are expecting an agreement between Ambassador Christopher Hill, the US representative to the 6 party talks and Mr. Kim Gae-gwan the North Korean chief negotiator to the talks on the nuclear issue. It is my impression that there were some

improvements between the two. For example, the US government recently declared that they would provide North Korea with 500,000 tons of food for humanitarian purpose.

Interestingly, inter-Korean relation has been stalling since the beginning of the Lee Myung-bak government. It is a striking contrast to a smooth inter-Korean relation and difficult US-North Korea relations which took place just a few years ago. And many Koreans seem to be concerned about the recent difficulties in inter-Korean relationship. So in that sense, it's timely to invite Ambassador Vershbow and have the opportunity to hear your views about the issues.

Before we move further, I'd like to briefly introduce Korea Institute for Future Strategies since today's discussants are mostly from the institute. About 7 years ago, we established this institution, a bi-partisan, civilian research thinktank. The reason why we established the thinktank was because we thought that it was our duty, as Korean intellectuals, to focus on how to prepare for the future change which would occur on the Korean peninsula and how to meet those important challenges like globalized information society and the challenges of settling peace on the peninsula. We thought that it was our duty to prepare future strategies and try to influence our society and public policymaking circle so that they can be better prepared for the change.

**Ambassador Vershbow:** Thank you all. It's a wonderful opportunity to meet with you again. When I spoke last September at a conference that KiFS co-hosted with a US thinktank, the National Bureau of Asian Research, you posed a very challenging question to me to imagine a world without the US-ROK alliance. Back then, such a world was unimaginable to me and 8 months later, I feel that it's even more unimaginable even with all the difficulties involving what's been taking place in the streets of Seoul the last few weeks. Because I think our alliance when we look at the big picture, has been receiving a lot of renewed positive attention. The prospects for the alliance remain very bright.

Korean people have elected President Lee Myung-bak with a huge mandate, of reviving and reinvigorating the economy, but I think it's also clear that they are expressing a desire to revitalize US-Korea relations. President Lee spoke a lot about restoring the damaged relationship and so it was very important that he made his first trip as President abroad to the US. It was also symbolic that President Bush invited him to Camp David which is a very special privilege, something unusual for a leader he had not even met before. It shows the importance of the relationship and the high hopes people have for giving the relationship an impetus.

I also think it's fair to say that from the American perspective, we did make a lot of progress in the US-Korea relations during the Roo Moo-hyun administration including the steps toward the transformation of the military alliance and negotiation of the FTA. Even there were sometimes frictions on certain issues. Still it's no secret that

we have enthusiastically welcomed President Lee's desire to upgrade the alliance and strengthen the foundation of trust between the leaders which may have been somewhat short in supply during the previous years. In anticipation of President Bush's reciprocal visit to Korea this July at President Lee's invitation, our two governments are now working very hard on clarifying the goals and guiding principles of what we've deemed '21st century alliance'.

The two leaders covered a lot of issues during the Camp David summit. Most significant on the alliance was the decision to halt the draw down of the US troops that was scheduled for this year. Instead of going down to 25,000 we're going to stay at 28,500. The main aim was to demonstrate that the US is firmly committed to standing by its obligations to defend Korean peninsula despite all the other changes including the restructuring of the forces and the command structure that are going on.

Second most important is the decision to reopen the beef market in a manner consistent with international scientific guidelines just the way the market was opened until 2003. While this has unexpectedly prompted strong resistance, it was the right step to take. I am very dismayed that so many of the claims surrounding our beef are unscientific and not based on facts. But I am hopeful that once we get through this, people will look at the scientific data just as the Korean officials did. And they will realize that American beef is perfectly safe, it's the same beef that we eat in the US. Most importantly, there has been no case of mad cow disease detected in any of 350 million cows born in the US since 1997 when enhanced safety measures were introduced.

The KORUS FTA was also the focus of the discussion at Camp David. We remain hopeful that it will be ratified here in Korea in the very near future. Since President Lee's visit, there have been a lot of momentum building up for ratification of the agreement in the US. I say this despite the headlines that have been in the papers recently about certain politicians' views about the FTA. It's not going to be easy to get it ratified but President Bush has made it clear that it's one of his highest trade priorities. The US business community is strongly supportive and we're hoping once people begin to look at the actual arguments for the FTA, the huge economic benefits for both countries, they'll realize that it's too important an opportunity to pass up. Indeed, since the summit, there are many democrats who are prepared to vote for this agreement. We only need 50+1% of the votes in the House of Representatives and in the Senate. We don't need every single Congressmen's votes and we think we can get the votes.

Also important was the signing of the Visa Waiver Program and the memorandum of understanding. It brings us closer to visa-free travel for Koreans. President Bush pledged that we will do everything possible to put the program into place before the end of the year. There's still some technical work still to be done in both sides but I think there's now light at the end of the tunnel. Certainly, participation in the visa waiver program will be a boost for the alliance, enhance tourism and business and

strengthen personal ties between Koreans and Americans.

The two leaders also spent a lot of time discussing North Korea. Hopefully, we're now very close to the long way, the submission of the declaration by North Korea which will enable us to complete phase 2 and move into the all important final phase of denuclearization. The two leaders talked about Japan and China, future of security cooperation in Northeast Asia, climate change, new security threats, how to expand cultural exchanges and others. But if anything, the key outcome of the visit was setting a new tone for the relationship based on shared principles and shared values. That's going to serve as the foundation for future consultations and agreements that will be developed in the months to come.

As I said earlier, our two governments are focused on fleshing out the notion of a more global 21st century's strategic alliance that has dimensions on the peninsula and off the peninsula. On the peninsula, it means continuing to work to complete the transformation of the defense alliance, making it more capable and balanced, symbolized by the realignment of our forces, return of bases, equitable cost sharing, and the transfer of Operation Wartime control. More exciting is the prospect of expanding the role of the alliance off the peninsula, in promoting stability throughout Northeast Asia and addressing a range of global changes. And we now have a broad new vision of the alliance beyond its traditional focus on military and security issues. New areas of cooperation could include establishing a regional security mechanism in Northeast Asia building on the 6 party talks issues, finding multilateral solutions to other problems in the region, peacekeeping operations, continue to work together on fighting against terrorism and proliferation, joint efforts to address climate change and other environmental challenges, dealing with energy security, developing energy-efficient technologies, alternative energy sources, fighting poverty for sustainable development in the third world, preventing spread of infectious diseases, responding jointly to natural disasters, promoting democracy and human rights both in the region and around the world. This kind of broader vision of the alliance is very much in keeping with President's Lee's emphasis on 'Global Korea'. I think it will provide basis for cooperation with not only the current administration in its remaining months but also with future US administrations regardless of who wins in November of 2008 or 2012 or any other election year.

**Yoon Young-kwan (KiFS):** Thank you. Before we move into the discussion, I'd like to briefly discuss the format. After each question and answer, there will be a few minutes for free discussion. Let's begin with Professor Lee Jaemin and Nam Young-sook who will pose questions about the trade issue.

**Lee Jaemin (KiFS):** It may be the case that you have observed probably one of the most turbulent moments, the past 3 years, of the bilateral relationship as the highest-ranking US diplomat in Seoul. Yet, you are now faced with another unexpected issue, the beef issue. Given that the issue has surprised many in Korea, has the same thing happened to you? More generally, is that sort of volatility the

most challenging aspect to your ambassador ship in Korea compared to your previous ambassadorships?

**Ambassador Vershbow:** Thinking about what had been the biggest challenge during my time before beef came on the radar screen, it's hard to single out one thing. The whole FTA experience has been filled with lots of challenges from the very start of launching the negotiations. Then there were many challenges in resolving the issues. Within the negotiations, beef issue was very much linked to the FTA from the very start. After we finished the negotiations, early April last year, we had the challenge of dealing with the fact that now we had a Democrat-controlled Congress in the US and we needed to have some additional negotiations on labor and environmental issues which was difficult. But we signed the agreement.

Now we face the challenge of ratification. What's satisfying about that is that each time we face what seems to be an insurmountable challenge, when the skeptics were saying that these problems, gaps will never be bridged between Korea and the US, we did prove the skeptics wrong. And I think we will get through the current turbulence surrounding beef. I hope this will be a collaborative effort because I think it's an issue that goes well beyond the beef issue itself and the food safety issues involved, because it goes to what kind of trading relationship our two countries will have in the future. I think that we have agreed over many years that our trade, whether it's agricultural products or products that Korea exports to the US like automobiles or cell phones or Nahju pears or samgaetang, should be based on science and on mutual acceptance of international standards. So if a foreign product is safe, you should let it into your market. Consumers can decide whether they want to buy it or not. There should be reciprocal opportunities based on science and international standards. That's the basis. We keep the market open to virtually all Korean products and has been Korean policy whether it's a progressive government or a conservative government.

We feel that science is very clear cut when it comes to our beef. You don't have to trust our own judgment, you can trust the international body on the subject, the OIE, which determined a year ago, that we're in the category of a 'Controlled Risk' country which means that we have the risk under control. That's because we have a very strict policy, first of all, removing the SRM, whether it's under or over 30 month beef. And that's the most crucial thing you can do to eliminate the risk of BSC. Since 1997, based on what scientists have discovered about BSC, we prohibited the use of feed that uses animal protein for our cattle. Since that went into affect, it is very strictly enforced, there have been 0 cases of BSC detected in American cattle. I feel very pained when I see on TV the mothers who are very sincere, saying "Please don't force my child to eat mad cow beef!" There's no mad cow beef that will be coming from the US. That has been subject to very strict control. Hopefully, people will tune into the facts of the science and not rely on rumors they pick up on their cell phones or from internet sites that may have other agendas other than providing objective information. This is the latest challenge but we will surmount it.

Economically, the FTA has so many advantages, one of which is that consumers will have access to a wider range of products, including economical, safe and tasty American beef that will be good for dealing with the rising cost of living in Korea. That's an opportunity that Korea can't afford to give up just as much as the US can't.

I've had other challenges such as managing differences in views over North Korea under the previous administration. Getting to where we are in the Visa Waiver Program, that was a bureaucratic challenge more on the American side than the Korean side.

If there was a constant challenge, I think there's still a very small but vocal minority in Korea who simply refuse to believe that the US is willing to treat Korea as an equal partner with mutual respect. So whenever we do something very bold and historic in our relationship, people question America's motives and intentions. I think that contributes to the volatility of the public debate on a lot of issues of which beef will probably not be the last. The ambassadors succeeding me will have to continue to deal with it.

**Lee Jaemin (KIFS):** A few days ago, Mr. Barak Obama sent a letter to the White House strongly opposing the FTA, arguing that it's bad for the US economy and industry. There's rising concern that towards the end of the year, it may become more difficult to get the ratification from the US Congress. That seems to be the general concern in Korea. What is your take?

**Ambassador Vershbow:** I think, at the end of the day, we have a very good prospect of getting the FTA ratified within this year. In fact, this year is definitely the goal. President Bush is unequivocally committed. He told this very very directly to President Lee. And we made it clear that even though earlier, we were speaking of submitting the FTAs in a sequential fashion, based on the order of which they were signed, we're now pursuing 'each on their own track' option. And if there's going to be any package deal with the Congress, which is still possible, involving both trade adjustment assistance to compensate workers who are affected by trade, possibly other economic legislations. Our view is that not only the Colombia but also the Korea FTA have to be part of that package. The reason why I am optimistic is because there is so much support for this agreement within the US business community and that includes manufactures, service providers, and agriculture. We have the largest coalition ever assembled, the US-Korea FTA business coalition. More than 500 companies are involved. Many local chambers of commerce at the grass roots level are involved. All of these people are beginning to speak out especially after President Lee's visit which turned the switch and this effort really went into much more high gear in large part because of the beef agreement. It's always difficult to move trade legislations in election year. We think the most of the debate really gets going and after serious gives and takes between the Congress and administration, we can get it

done. The votes are there. It's just a question of creating the conditions in which a vote can take place.

Some opponents of the FTA have focused on the automobile issue. We think it's actually a very strong agreement on automobiles. When people study the agreement closely, they'll see that it addresses all the issues that the automobile industry has complained about regarding Korean barriers to US imports. So we don't think there's need to renegotiate the auto provisions. Some say it's risky for Korea to go ahead and ratify the agreement when there is no guarantee that the US will ratify the agreement. I say that ratifying the agreement makes much harder for anyone to argue for changes to the agreement on the US side. More importantly, it sends a very clear message to the Congress that Korea is serious about this agreement, it's ready to fulfill its obligations and Congress needs to take up the agreement's merits and try to separate the politics of an election year from consideration of the FTA. Again, I can't guarantee it will pass this year but if it doesn't, we'll have to try next year.

**Yoon Young-kwan (KiFS):** If I take a look at the FTA issue from a broader perspective, I think it is a political economy issue. Bilateral FTA will benefit people in both countries economically but it has significant security and political implication. I'm wondering whether key political leaders in the US are recognizing this strategic implication of the FTA. What can we do if they do not yet understand the strategic importance of the agreement?

**Ambassador Vershbow:** I certainly agree with you that the FTA's significance goes well beyond the economic and trade benefits. It is strategically very important. It provides additional anchor for the alliance which provides stability in Northeast Asia. It's an important model with regard to other major economies, particularly China and Japan. It sets a standard that they will be under much greater pressure to meet in terms of the liberalization of their own economies, observance of international standards, investment and intellectual property rights protection, labor, environment, everything. It's really the highest standard FTA one can imagine. It has the potential of what the British call 'knock-on effect' within the region. It's also a demonstration of continued US engagement in Northeast Asia, which has long-term implications for the balance of power and stability in this very fast changing part of the world. The strategic consequences of rejecting FTA would be quite severe in terms of symbolizing US disengagement forfeiting this very important leverage over Japan, China, and others regarding their own economic and trade policies.

Some members of congress understand this and some don't. It's one of our challenges. The State Department has a special role to play to spell out this strategic case more directly to members of Congress as the debate goes on. We're hoping also to bring members over to Korea even though it's difficult to do in election year. We found that many congressional visits to Colombia beginning to change perceptions of strategic importance of that country. I think the strategic importance of Korea is by far more significant in many respects, so we're going to encourage visits if not by

Congressman, then by their Senior Staff to Korea in the next few months.

**Yoon Young-kwan (KiFS):** Next we have questions from Professor Nam.

**Nam Young-sook (KiFS):** Although the beef issue is now sweeping the country, and from a different angle, Korea is now negotiating an FTA with the European Union, another large advanced economy. Korea is also negotiating an FTA with Canada. This should be setting another angle to this issue. Another issue is that we may soon resume negotiations with Japan and China has begun to demand the start of negotiations with Korea. This should, to a certain extent, affect the ratification of the FTA. How do you think the conclusion of the FTA with the EU affect the whole situation? And if the KORUS FTA fails be ratified, what do you see as the major concern in this region for the US?

**Ambassador Vershbow:** That's a very important point. Certainly, it will remind Congress that the world doesn't stand still. Even if the FTA is either delayed or rejected, Korea will do FTAs with EU and they will get benefits that we fought for. FTA with EU will simply replicate or slightly change the deals that we spent weeks and months fighting over.

If the FTA with the EU before ratification takes place in the US, it will have an electrifying effect. I certainly think it should because as I was just saying, those who want to take a time out from trade agreements and whole policy, that think the whole world will stop while we think it over will have a wake-up call when Korea signs FTA with EU. In the case of that agreement, it will be much quicker because the EU doesn't require ratification by member states. There is no ratification process at all. Negotiators already have a mandate from the EU council. If we find that the EU agreement enters into effect very quickly, then all the benefits we only have a theoretical form in the KORUS FTA will be available to the EU in real life. Even the completion of the talks with Canada, even though it's a smaller economy, will create an awkward situation. It will inject some realism into the debate in the US. As for Japan and China, I think the prospects for 'high standards FTA', the kind we have with Korea, may not be that bright in the short term. But over time, especially if the KORUS FTA goes into effect, Japan will need to begin to debate much more seriously than ever before, the fundamental question of opening its market. China may feel that it has to move to higher standard of investor protection, transparency, and all the areas where the KORUS FTA sets such a high standard. Without the KORUS FTA, that kind of influence over Chinese and Japanese policy will be lost. Our allinace would survive, and we would continue to find lots of ways to work together, but I think it will deal a very serious, lasting blow to the level of confidence between the US and Korea. That would be a very risky scenario that I would rather not contemplate.

**Yoon Young-kwan (KiFS):** Now, I'd like to invite follow-up questions to the trade issue. I recently read Mr. Kim Young Hie's column in Joongang Ilbo titled "I would

rather eat US beef.” That was a very impressive and persuasive column.

**Kim Young Hie (Joongang Ilbo):** Do you think the Korean government could do better, be more active, be more efficient in persuading public on the beef issue? Do you notice any tactical error or a mistake?

**Ambassador Vershbow:** Well, I do not want to be too critical of the Korean government. President Lee has said himself expressed his regret at not effectively communicating to the Korean people both reasons why he pursued the agreement on beef and why it was a sound agreement in terms of food safety and trade policy. This is a problem for the whole team, the Korean government and the American government, beef exporters and importers, the science community, and certainly media to find ways to get people to focus on the facts and to convince them that the facts are true and that the rumors that have been receiving, and some of the sensational things that they’ve seen on television are not true.

There’s another thing that I found to be a bit worrying is the general lack of confidence among younger Koreans in traditional media, in academics with Ph.Ds or certainly in government officials who are dispensing information which should be seen as authoritative. This is also a problem in US where there’s a tendency with all the new media, instant messaging, cell phones and e-mails, more confidence in independent sources of information than in proven sources. Sometimes it's worthwhile to be skeptical about conventional wisdom medium but at the end of the day, there is scientific information that is available and a lot of statistical information about the success of eliminating, not only in the US but in other countries, the BSC.

I lived in the UK, in London, in the late 1980s when they had the most serious wave of BSC, and there were some human cases of vCJD. It was a scary time, but since that time science has figured out how to deal with it. It's on its way to elimination just like polio and tuberculosis were eliminated. Science does solve some problems. This is especially surprising for me given the devotion for higher learning in Korea. Everyone is determined to get into the best universities and advanced degrees. I would expect a little more interest in the scientific evidence. All of us have to figure out ways to shake up the debate and get the people to take a second look at the real facts rather than the exciting text messages they get at 6:45 p.m. on their way to chonggyechon.

**Kim Young Hie (Joongang Ilbo):** Would the anti-beef demonstrations that are taking place in Seoul change anything? Would it be some sort of a political leverage?

**Ambassador Vershbow:** I can’t say. I don't think there will be direct impact positive or negative. The demonstrations have not gotten huge press attention in the US. It’s being reported but it’s not front-page news.

**Kim Young Hie (Joongang Ilbo):** Then there should be more demonstrations.

**Ambassador Vershbow:** The bigger question is what will people think about Korea's reliability as a trading partner. If the agreement based on science and international standards worked out by experts, we've been talking about this for years and it's not something put together by people who don't know what they're doing, led to this kind of popular backlash, people will say what kind of confidence can we have that other Korean agreements will survive. That's something that could affect Korea's attractiveness for foreign investment and many other things down the road which could have some consequences. I can only speculate on that. There hasn't been any dramatic effect I've seen except that our beef exporters are getting impatient. But they also understand that they have a big job ahead of them in establishing public confidence in their product.

**Yoon Young-kwan (KiFS):** Let me ask another question about the general trend in the US public opinion. Since the time of Regan/Thatcherism in the early 1980s, the US has been main promotor of globalization of world economy. They emphasized that everyone will benefit from globalization. But nowadays, public opinion in the US seems to be reversing. They tend to emphasize more and more the negative effect of globalzation. They emphasize that they are losing jobs. That kind of trend seems to be one of the basic reasons for this critical views against KORUS FTA. Will there be anything we can do on this trend?

**Ambassador Vershbow:** It's certainly true that there has been an upsurge of anxiety about implications of globalization given other economic difficulties that we're having. In some states and some regions, there have been job losses in inefficient manufacturing plants in certain sectors. Some of this is just a natural working of the market of the US economy. More sophisticated economic analysis point out that for each job lost, there may be two new jobs created just not necessarily in the same place. So some of this is very emotional response and I think it's not unique to US. The best way to counter this is first, to try to educate people about the much more complex factors that are leading the changes in our economy: the rise of service industry and a somewhat modest decline in manufacturing. Agreements like the KORUS FTA, if we could get them into effect, will also demonstrate that trade is not necessarily the enemy. With agreements like the KORUS FTA with economies that are on the similar level in terms of economic development, technological sophistication, levels of wages, levels of labor protection, it can actually be mutually beneficial. One can see US exports going up in a lot of areas, not just farm products but manufactures and services. Jobs created directly tied to expand in exports. KORUS FTA is probably a much better demonstrator of the benefits of trade than the agreements we've signed with small Latin American economies. Their rationale is more political than economical. I just hope we can have this debate and get the vote on KORUS so we can prove the skeptics of globalization wrong, that not all trade agreements are bad.

**Yoon Young-kwan (KiFS):** Professor Kim Joon Hyung has some questions.

**Kim Joon Hyung (KiFS):** Many compare the anti beef demonstration to the anti-American demonstration that took place in 2002. But there is a big difference between the two. In 2002, it was the Korean public versus America. Now it's the Korean public versus the Korean government. The Korean public is very angry about the government's behavior. I personally think that there is a way to tackle this problem depending on how we handle it.

I'd like to raise a very delicate matter since you were so open from the very beginning of this session. I'm referring to the incident where you called Mr. Sohn Hak-kyu the opposition party leader. According to the media, your reactions were two-fold: one, it was a private conversation. During another forum with a thinktank, you argued that it was a legitimate action, that beef is not just a domestic issue for Koreans but an important issue for the US as well. Which one of these two is your real response?

**Ambassador Vershbow:** I won't keep this story alive any longer than necessary. I've met with Sohn Hak-kyu many times over the last few years, so I felt I'd established a relationship with him. And I did think it would be useful to let him know that some of the comments he had been making about US beef were not supported by scientific evidence. I thought it would be better to communicate that message through a private channel rather than the press. I also told him that if he didn't like to talk about that over the phone, I'm willing to meet in person. I'm still ready to do that. I agree with your observation that this is different from 2002 in the sense that it's primarily some elements of public going against the administration. But I think there are anti-American groups that are certainly trying to take advantage of the situation and even to prolong the agitation. But still, you can't divorce the US from it because it's about the integrity of the agreement between the two governments on a product that is a very important export to the US. Also, it's very important to the fate of the FTA in the US Congress. That's been understood since the year before the negotiations began. Finding a solution to beef was a sine qua non for getting the FTA approved by the Congress. Coming back to the phone call incident, I think it was legitimate and I attempted to express my concern through a private channel but the channel proved too difficult to keep private.

**Yoon Young-kwan (KiFS):** Let's move to another important issue, the security issue. We all know that Cold War confrontation at the global level 17 years ago. Still, the Korean peninsula is divided into North and South. The confrontation is still there. How to narrow the gap between the history of Korean peninsula on the one hand, and the history of global politics, on the other, is really an important agenda for both countries. We sincerely hope that US would continue to work together in the process of narrowing the gap. Partnership between Korea and the US will be a very important basis on which we can build a new secure and more peaceful Korean peninsula in the future. And from that kind of perspective, we may have very important questions about the Korea-US summit meeting. Professor Lee Sang-hyun

has some questions in that regard.

**Lee Sang-hyun (KiFS):** Let me ask you about the concept of the '21st century strategic alliance' that President Lee elaborated during the Summit. He explained the concept in three components: value-oriented partnership, alliance based on deeper trust, working together to promote peace at both the regional and global level. I agree with this vision of alliance. At the same time, this vision may impose more burden on Korea than on the US. For example, value-oriented partnership. How can we speak with one voice about the North Korean human rights issue? The same goes for peace-promoting alliance. How can Korea decline US demand to send more troops to Iraq or Afghanistan. Given such concerns, there may be situations that South Korea cannot keep pace with the US in all aspects of the alliance issue. How do you expect such situations to influence the bilateral relationship?

**Ambassador Vershbow:** First, I'm glad you think the vision is right. It's partly a reflection of Korea's success in becoming a strong economy, a strong democracy that now has the ability to play a bigger role, in some cases on its own. Korea is a model for other developing countries. What you've achieved is something everybody wants to emulate, both in terms of the economic development and the strong democratic institutions, and the rule of law.

In your question, you said that US makes demands. The US doesn't make demands. We make requests or proposals. In all of our alliance relationships around the world, there are cases when allies turn down our requests or even take actions to oppose us. It's normal for allies to disagree from time to time. But we've also seen that even when we had difficulties on some issues as was the case on North Korea, after the Banco Delta Asia case, or even just last year. The Roh Moo-hyun administration kept insisting on the idea of a declaration to end the Korean war before denuclearization, before the peace treaty. We've had differences like that but we focused on the common interests that exist. I think, for this alliance to be effective, we have to have close consultations, we have to understand each others' point of view, and understand what is possible and what is not, and understand our partner's decision not to contribute in some area if that's the decision that the government makes.

This was made very clear in Camp David. We're not holding any one issue as a litmus test. But yes, the US, despite some charges in the past about it being unilateral, we very much prefer multilateral solutions. We're always looking for partners who are willing to help us, when allies are ready to step up and do things as Korea has done in the past, such as sending over 3,000 troops to Iraq or sending very valuable engineering units to Afghanistan, or doing things that we're not doing like sending troops to Lebanon. The US is not contributing to UNIFIL but Korea is. Korea is very well received by the US. If we have trust and good consultations, there won't be any danger of Korea not keeping pace or letting us down. We're realistic and want this partnership to last. We will not ever use the word 'demand'.

**Lee Sang-hyun (KiFS):** North Korea today has completely stopped talking to the

South Korean government. Curiously enough, US-North Korea relationship is dramatically improving. What do you think is the reason for this? Some analysts say that Washington fears that South Korea is too tough on North Korea and may complicate the resolution of the nuclear issue. At the same time, some fear that Washington may accept Pyongyang's 'less-than-perfect' report on their nuclear program. How do you evaluate such concerns, and what would you recommend Seoul to do toward Pyongyang right now?

**Ambassador Vershbow:** I think the concerns you've raised are unfounded. We're not going to agree to any solution, the declaration that doesn't provide a full accounting of North's nuclear programs and doesn't get them to sufficiently acknowledge even past activities in third countries, or with regard to uranium enrichment. Of course, any final decision on that declaration is one for all 6 parties. We've been consulting closely with the Korean representative to the 6 party talks, Kim sook, who was in Washington last week. Close ROK-US consultation and coordination will be the basis for the decisions in the 6 party talks.

On the other concern, we obviously don't find it pleasant to read propaganda blasts that come from Rodong shinmun and KCNA, in which they not only criticize South Korean policy but make very rude personal insults about South Korean leaders which are entirely inappropriate in relations between states. It's not a first time we've seen such tactics with regard to new South Korean governments. They're trying to put pressure on the new government to go back to the policies of the previous administration. Again, President Bush praised President Lee's calm reaction and steady resolve. We all need to be a bit more patient for North Korea to adjust to the reality that there has been a change in government, through a democratic election. In the meantime, we will stand by our ally and not let North Korea drive a wedge between Seoul and Washington. Again, that's one of their traditional tactics. We know their game. Let them proceed.

**Lee Sang-hyun (KiFS):** How long can we be patient?

**Ambassador Vershbow:** Someone told me that this kind of chilly atmosphere went on for periods of long time in the Kim Dae-jung administration. And I think the Roh Moo-hyun administration did not have a rapid start in the inner-Korean context either. I can't put any number of months on it, but I think North Korea has a strong interest in maintaining normal inter-Korean cooperation both for humanitarian reasons and because it needs help for its stagnant and increasingly dysfunctional economy. Perhaps after the 6 party takes another step forward, that will be the time when North Korea will look for ways to reestablish the dialogue.

**Kim Young Hie (Joongang Ilbo):** We recall how unhappy the Kim and Roh administrations were about the hardline policy of the Bush administration towards North Korea. These days, the reverse has taken place. It seems that the Neocons have moved to Seoul. Do you share my impression that Lee government's security

diplomacy line has been taken over by the Korean equivalent of Neocons? What do you do with Missile Defense issue? We all know that China is very concerned about this.

**Ambassador Vershbow:** I don't agree with your analysis on who's running South Korean policy. I think the North Koreans have drawn their conclusions, perhaps prematurely, given that their aim is to launch these hostile attempts. But if you look at the Lee administration's 'Denuclearization/Opening 3000 Plan (비핵개방 3000)', it's a very bold and visionary package that can substantially help the North Koreans rebuild their economy and modernize it to make it more productive. He was right, certainly from an American point of view, to put denuclearization as the first priority because it's hard to justify large scale economic assistance to a country that continues to brandish nuclear weapons. That's very far from a strategy of regime change or anything you might associate with the 'Neocon label'. Washington and Seoul's thinking is pretty compatible. North Koreans, perhaps have been intrigued, despite the propaganda, by the denuclearization plan, by the fact that the South Korean leader is offering to raise the per capita income to 3,000 dollars. If I were an average North Korean reading Rodong shinmun, even with all the negative descriptions, I would say "3000 dollars, that doesn't sound so hostile." We'll see. It may take some time for Pyongyang to adjust.

On the issue of Missile Defense, that's something we'll have to consult over the next year or two. Japan has made the decision to invest in some of the hardware to participate in the architecture. There are threats posed by the continuing modernization of the North Korean missiles. South Korea will have to make its own decision, looking at the overall defense budget and the defense modernization program. Korea has already acquired second-hand Patriot missiles from Germany, which gives it limited missile defense capability. This is something that we will discuss but we're not putting any pressure on Korea.

**Kim Young Hie (Joongang Ilbo):** This is a comment. My fear is that the idea of denuclearization/open policy is that denuclearization is not priority but a precondition. That anger North Korea.

**Ambassador Vershbow:** I'm not sure that's an accurate interpretation. I think it's the North Koreans who treat anybody's requirement of denuclearization as precondition. It's all total disarmament first and then other steps later. We have demonstrated in the 6 party talks that we are committed to action for action. Denuclearization is a process. The biggest rewards come at the end when there's full nuclearization. But there can be intermediary rewards. From what I've heard, from the representatives of the Korean government, they have in mind the latter interpretation. That some steps on the road to \$3,000 and the opening up and reform of North Korea. Some of this could begin based on progress toward denuclearization even if the big ticket items, large investments might come later. I don't think that it's not meant to be 'all-or-nothing'.

**Yoon Young-kwan (KiFS):** When I look at the bilateral history between Korea and the US, what attracts my attention is the lack of common vision or roadmap about how to build peace on the Korean peninsula. Both governments, since the end of Cold War, in the early 1990s, reacted to pending issues on an ad hoc basis rather than following a roadmap. It makes matters more complicated or even worse, unnecessarily. What do you think is the right time for both governments to focus on a roadmap from long-term perspective. and discuss how to build peace on the Korean peninsula? Was there any discussion between the two leaders on this issue during the Summit?

**Ambassador Vershbow:** I agree that we need to develop a more comprehensive roadmap in the next year or two because if we do make progress in the 6 party talks, we're committed to sitting down and beginning negotiations on peace regime and peace treaty to end the Korean War. We need to have a common vision for that as well. We are already talking in theory about how to work broader regional security mechanisms which might also be initiated before we reach the final stages of denuclearization. All of these are building blocks of a long-term structure. So the two governments need to sit down and figure out how they all fit together: what are our vital interests, what are our red lines, what are the things that we have to protect. No one can divide us. When it comes to the peace treaty with the North, we see South Korea taking the lead. The US has a supporting role along with China, who is a signatory on the North Korean side on the armistice. We've had consultations of a very preliminary character on these issues, but we're not quite ready to sit down and start the negotiations. In the longer term, there is the question of what kind of security and economic relations can be envisioned for Northeast Asia after North Korea has denuclearized and has become more integrated with South Korea, and on its way to unification. What kind of northeast asia do we want and how do we get there?

**Yoon Young-kwan (KiFS):** Professor Kim, go ahead.

**Kim Joon Hyung (KiFS):** During your incumbency here, one of the key issues was reciprocity of the US-ROK alliance. My understanding was that reciprocity, from US perspective, is about more burden sharing whereas the Korean side expects something close to equal status. What do you think? Do you think you need to be more delicate? Regarding the concept of strategic partnership, I am concerned that that may lead to less commitment militarily. Can such partnership be stronger than military alliance?

**Ambassador Vershbow:** On the first question, it comes back to that of the US asking Korea to do everything we asked for. Again, I think that we have to have equal commitments to the goals of the alliance, to the principles we're trying to defend. That doesn't mean we share all burdens equally in a literal sense. Many factors have to taken into account. There's an inherent asymmetry in the size of our countries, in

our militaries and our budgets. We are a superpower. When we talk about a more 'balanced alliance', I believe we're striving to satisfy Korean interest in more equal status and mutual respect. We've done a lot in the last few years. To do that, some of the things I mentioned, sharing of the responsibility, some of that is reflected in consultations in the 6 party talks on regional issues around Northeast Asia. As you know we established, two years ago, Strategic Consultation for Allied Partnership, a strategic dialogue which is meant to ensure that we take Korea's views more closely into account when we consider problems in the Middle East or in Africa or in other parts of the world. It's always going to be a work in progress, because of the inherent asymmetry, relative power of our two countries. But we both have to earn the trust of each other everyday. Burden sharing is always going to have a financial aspect. It should be interpreted more as a philosophy of helping and supporting one another and taking into one another's interest rather than just focusing on the details of the SMA agreement.

The concept of strategic partnership should not cause any fears about loosening of the alliance. The primary mission of the alliance has to be fulfilled and that is keeping peace here. While we're changing the structure of the alliance, we're properly putting more responsibility on Korea's own forces in terms of the OPCON in 2012 and also the leading responsibility for many of the key military tasks that used to be done by the US. That's healthy and makes American more willing to maintain the commitment to bring in additional forces such as airforce and intelligence and everything else because Korea is stepping up and taking responsibility for its own defense. We like allies that are serious about defense. That is enhanced when Korea does contribute from time to time to international operations, or provides substantial donations when there is donors' conference for Afghanistan or for victims of cyclones in Burma whatever the crisis. That adds to Korea's standing and makes American Congress and taxpayers feel greater respect for Korea, as an ally that doesn't just talk the talk but walks the walk. As far as the specific concern that OPCON transfer might loosen our commitment, as people begin to realize how they're going to work in practice, they will see the seamlessness of the US and Korean military forces will be just as enduring. There will be different generals in different places under the new structure, but we'll still be doing exercises together, training together, planning together for all kind of contingencies.

**Kim Joon Hyung (KiFS):** As you know, Korea is trying for a strategic partnership with China. Such trend seems to be inevitable. Even though the North Korean threat is still there, I think we have to accept the reality that the relationship is no longer based on blood and bondage. It's not like before.

**Ambassador Vershbow:** The word 'strategic' is sometimes used by diplomats for all kinds of things. When one considers strategic relationship between US and Korea, it is at a higher level than might be possible with China, because of the foundation of shared values we have that we don't have with China. Even sharing foundation of common values doesn't mean that you always agree on particular decision or a

particular way of solving the problem. But it does give you at least the philosophical world view as the starting point that is common to both countries. In china, we have continuing differences in views as to their approaches to crises such as Sudan, Darfur, the low priority they attach to democratization and rule of law in such situations. That spills over into other aspects of the relationship. It leads to popular resistance or at least criticism of cooperation between US and China. That may very well be the case here in Korea too. Not only the values, but the shared history we had together, shared destiny because of the inter-connectedness of our societies, so many Koreans living in the US, so many people studying in the US, layers of connections adds another bond to the shared values.

**Kim Young Hie (Joongang Ilbo):** One last question. With regard to the uranium issue, it is said that North Koreans made a sufficiently direct acknowledgement. If you cannot give me the exact date, can we say safely that it's now a matter of time for the US to eliminate North Korea from the States that sponsor Terrorism list in return for North Korea's symbolic action of destroying the cooling tower?

**Ambassador Vershbow:** There are a number of different things that all have to come together. The issues regarding the acknowledgement of the uranium activities in third countries is one element and we still don't have that declaration. It's the submission of the declaration that has to be complete. Plus, this solution on those issues which was what was worked out in Singapore. That together constitutes the declaration they were supposed to provide by December 31st which is late. It's that plus disenabling that is the basis for a decision on the terrorism list and trading with the enemy act. The potential blowing up of the cooling tower, it's very dramatic thing if they do it, but it's just part of the ongoing disenabling, although it will be a more colorful piece of it.

**Kim Young Hie (Joongang Ilbo):** Will that come within days or weeks?

**Ambassador Vershbow:** I don't know the exact date when they're going to give the declaration. Look at Chris Hill's statements. He'll give you a better sense of timing.

**Kim Young Hie (Joongang Ilbo):** I talked to Minister Yoo Myung-hwan, and he mentioned that it will happen this month or early next month.

**Ambassador Vershbow:** That seems to be what people are hoping for so that we could convene the meeting of the 6 parties, heads of the delegation level and some early date after that, the foreign minister level which has been pending for a year. It was in the February 13th agreement of 2007. It still hasn't happened.

**Yoon Young-kwan (KiFS):** Professor Park, do you have any questions?

**Park Jin (KiFS):** What would you miss most about Korea?

**Ambassador Vershbow:** My wife and I really enjoyed our time here even with all the stresses and strains that come with the job. We found Seoul to be one of the most interesting and exciting cities we've ever lived. We're very passionate about food, culture, and the life style. We will miss the whole atmosphere. We will miss the beautiful residence. We had the special privilege of having a Korean experience. We woke up everyday to the beautiful Hanok architecture. I will miss some of the many opportunities to meet younger Koreans. I made it a priority to visit Korean universities, and even went to meet high school students. That has given me a much better understanding of where Korea is going in the future than reading newspapers, talking to government officials and businessmen. I am sure my successor gets here, she will continue this tradition of active outreach to younger people.

**Yoon Young-kwan (KiFS):** Thank you. As I said earlier, there are challenges in every alliance relationship, ups and down between two countries. We have many challenges ahead of us to settle peace in Korean peninsula in the future, a more important and positive role for Koreans for global peace. I really think today's dialogue contributed much in better understanding of the relationship. I appreciate Ambassador Vershbow for candidly discussing all the important, delicate issues. We all wish you the best in your future career. Thank you very much.■

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