

TRANSCRIPT

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Q: On the record, as we always are, and you're just back from China, so take a few minutes here and give us the high points, as you see it, of your trip over there.

A: Good morning. It's good to see several old friends and good friends all. We are very grateful for opportunities like this. This is the Roy G. Biv of columnists. Our granddaughter, who is five, actually knows more about the visible spectrum than I do, and that's why the Roy G. Biv. We spent the weekend with them down in Virginia Beach, and the things kids are learning in kindergarten these days. She's doing multiple--I mean 20 times 50--I mean it's just astounding what they're learning.

So, thanks for the opportunity. We were in Beijing ten days ago, about; my second trip there since assuming command of the Pacific Command in March. We went in May for our first trip. We were there for four days or so the first time around. This was our second trip there. We have been, as it happens, to some twenty-five other countries in the Pacific Command area of responsibility, some of them a couple of times; Japan, I think five or six times.

This trip. We went with kind of high expectations. I mean I have been there at Pacific Command for a little while now. This is my second tour of Pacific Command. I was the flag lieutenant a la JT for Admiral Bill Crowe in the mid-'80s, so while in that capacity I went to Beijing with Crowe and then Chairman John Vessey. So not the first time there.

I had high expectations this visit. In retrospect, I hope this doesn't sound--I'm trying to manage not elation but satisfaction, I guess. It was a good visit for us in a number of respects.

One, access. We got to see a good list of folks. I'm not very good at names, so I took the liberty of writing them down and Jeff can you give you their correct spellings. But we got to see the Deputy Foreign Minister Yang Jieshi, former ambassador here. Some of you may know him. A comprehensive grasp of all manner of strategic issues.

His English is great. [Laughter]. He actually interrupted his interpreter on one or two occasions to put the right, or what he felt the appropriate, texture on some comments he made; most tellingly perhaps as we were talking about the Kitty Hawk port visit, and more on that writ large in just a minute. But the young lady, bless her heart, was kind of struggling with the term--the Chinese he used--and he said, no, no, no, let's stay in touch. And I think she was figuring, you know, stay in touch/touch, and it wasn't coming across quite right.

Anyway, we had a good session with him, 35 or 40 minutes. And I'll talk about what we talked about with all these guys once I run through kind of the line-up part.

We met General [Chen Bing Duh] who is head of the General Staff Department; a four-star. That was my first time with him; the first time with Yang Jieshi. With General [Gwa Bo Shang], who is head of the Central Military Commission, it is my second time with him; a very convivial session with him, pleasant. The session with [Chen Bing Duh] was the most--I'll say strident, but the most emphatic maybe; strident infers maybe even states some kind of fingernail-on-the-blackboard, preachy, finger-in the chest. It wasn't that, but he hammered home some points on Taiwan and I'll get to that in just a minute. [Gwa Bo Shang], second time with him; he had been very emphatic the first time. He was almost convivial this time.

Then a fascinating session with the Deputy Chief of the General Staff. They actually have the temerity to line up their command and control structure in a way different than ours. The nerve. [Laughter] They have a General Staff Department and a Central Military Commission. One of them kind of does operations. The other one does administration and they all come up underneath the Ministry. All responsible to the Party.

This was [Mosh Hu Ten], an Air Force three-star, and we spent a couple of seconds bantering back and forth about who was the better fighter pilot and didn't resolve that conflict. [Laughter]. He was the most meticulous of the calls. He had something about Taiwan; he had something about the Asia Pacific Center for Security Studies. How come we don't exclude Taiwan's and let the PRC come. And his third point I can never remember. Taiwan, APCSS, oh--I'll be careful here--sensitive reconnaissance operations. How come you do so many? EP-3, example, U-2s, maritime surveillance; he was telling us to do less or stop.

We went and gave a speech at the Academy for Military Science. It's kind of their National War College; a little bit junior from the O6 crowd here at National. The O5s and O6s and some civilian counterparts there, and then went down to a Surface Warfare Academy for some Navy O4-O5 kind of guys. I don't think there were any women in there, interestingly. Do you remember seeing any females in there? Very, very few, if any; maybe none--250 students. And then we went to the Guan Jo military district, their largest military district. It's kind of the crown jewel for operational command, and I met General [Zhang] there. It was my third time seeing General [Zhang].

So several points within all that. One, I'm getting to--I don't exactly--these guys aren't you know, let's-go-to-the-club-and-have-a-couple-of-cocktails buddies, but we're closer to that. General [Gwa] and General [Zhang] in particular I've seen a couple of times. I kind of know them. We've talked about kids and grandkids and things other than Taiwan, and Olympics, and ASAT. We've

talked about all those, but we've talked about other things with them.

Back to why we went. We wanted to develop a better sense of who they are and make sure they understood as well as we could avail them of this understanding, who we are and what we're about.

Taiwan came up in every session I had, big comma, but absent the [Chen Bing Duh] session, in each case, in every case, it was less a sermon, less confrontational, less tense and more kind of a frank discussion. And we would counter at the end of a two- to four-minute rap from the Chinese guy, hey look, our policy has been absolutely the same without one comma changing since 1979. We understand your concern with Taiwan. You will appreciate Secretary Rice's comments and Deputy Christensen's comments to President Chen Shui-bian that he's not being helpful.

Remember now that the Taiwan elections, not the presidential elections but the somewhat smaller national issues had just been held, and results were somewhat to very favorable to the PRC, and that was pointed out to us in two conversations while I was there.

We're getting to know these guys. We think we're developing a better understanding of them personally. And a couple of points we worked hard to make. Transparency is important. We are vitally interested in transparency, but that's not enough. And I think we talked a little bit about this when I was here last time.

Transparency, at least to me, has a certain passive nature to it. You can see something or see through something if it's transparent, but it doesn't get to intent. What is it you intend to do with new airplanes, area denial weapons, anti-satellite tests, or even something rather pedestrian as denying port visits for aircraft carriers or any sort of platform?

So we stressed time after time after time, meeting after meeting after meeting, transparency; important, but it's just a step. We are as interested as we can be in understanding why it is you are doing things. Why are you developing area denial weapons? What do you intend to do with them? What is it you intend to do by shooting down a satellite and introducing 2,000-some pieces of space debris?

They counter with, well now, we're not the only ones who have done an anti-satellite shot. True enough. Ours was done decades ago, a different kind of orbit, much less debris; it's all now out of space. But they've done a little bit of research and they realize they're not the only ones who have done some damage.

The sense of the room was much less tense. It wasn't as strained, and we weren't forcing things the way we were the first time I was there. Certainly, it was as much me as them, I bet. My second time there, and again I met a couple of these guys now the third time. So there is a comfort level that would be appropriate if I were, if this were my first time with you guys. Not, I'm saying that's not--[Laughter]. Just an example. [Laughter].

Q: We'll take it as a compliment.

A: It's intended as such. I enjoyed myself. So did my wife. We had a pretty big crowd. Deputy

Assistant Secretary Jim Shin was with us for awhile. We had our Foreign Policy Advisor, Ambassador Gene Christy, who was with us. And I think everybody came away going, okay. Again, as opposed to the first time, when it was--it wasn't blunt trauma but it was harder the first time. It was more pleasant this time.

Left Beijing, went to Shanghai for, got there late and left early the next morning. An astounding city. I had never been. But this place is alive. As my wife said, and I have heard others say at the same time, it's like Manhattan on steroids. It is hard to capture. I don't know if anybody has been. There is the [Buned] River that flows through. Dozens and scores and scores of restaurants and clubs. Laser lights cutting through the night sky. Spotlights. They have these ten-story by fifty-foot breathtaking-clarity videos going on the sides of buildings. Every big building has got a huge video screen on it. You could--it's almost distracting.

Anyway, a vibrant city, and we met with some academicians there who are just fascinated with the United States. They want to come to Honolulu and talk to us. They want to come to speak at our war colleges, and sessions like this. They'd be quite anxious to do it. And a sense of wanting to share their view; there's a lot of room in the Pacific. The academicians weren't talking about being a global power; they just want to understand better what it is we're about and perhaps help us understand them a little bit better.

Then we went down to Guang Jo, as I said, and that's a big military district, and General [Zhang], I spent some time with him.

Flew down to Hong Kong and spent the night and next day in Hong Kong. Interesting visits with business leaders there and Secretary Ambrose Lee, all of whom said the more ships the better. I'll be careful with it. They say it is not their decision. Well anyway, the authorities who denied the Kitty Hawk port visit are unknown. [Laughter]. Let me put it that way. Some counseled us that those authorities were not in Hong Kong. Let me talk about that for a second--the ship visits.

You know there are a couple of them that are of some interest to us at Pacific Command, and maybe to you all. The two minesweepers, and some of you may know minesweepers are fairly small; they've got kind of short legs, they don't carry a lot of gas. The weather was crummy in the South China Sea, and they were running lower on gas, two of them, as they were heading back up to Japan. The Patriot and the Guardian are the names of these two ships, and they asked to kind of duck in to Hong Kong to get out of the weather and seek safe harbor--one particular harbor--there's a Jimmy Buffett connection here--[laughter] and the Chinese said no.

That makes us sad. It's just an unwritten law of the sea that if somebody needs help you say, of course, what can I do. Now you may not give them the keys to the city but you let them come in, get out of the weather, give them some gas, and send them on their way. The Chinese said no.

Later that same month, they denied entry to the USS Kitty Hawk, which you all are probably aware. A different situation to be sure. The Kitty Hawk was going down for the Thanksgiving holiday, and it was liberty for the crew. Making it a little thornier was the fact that several hundred family members from Yokosuka Japan and Atsugi, Japan, where the ship and air wing are stationed, had flown down to spend the Thanksgiving holiday with their family member on

board the Kitty Hawk. Lots of money "down the drain" because the Chinese, almost at the last minute, literally said nope, and so the Kitty Hawk went back out.

You will recall that the Chinese eventually changed their mind due through the good offices of Ambassador Randt, who worked hard to try to get them to--successfully--get them to reverse their decision. But by then the Kitty Hawk had already started back up. As I mentioned, the weather was still crummy out in the Pacific so the Kitty Hawk went straight to Taiwan. It was noticed. [Laughter]. So what? Then they went home.

So we talked about that with our PRC hosts, and they enquired--well they knew but were nice enough to ask--well who's coming next; the USS Blue Ridge. That is the 7th Fleet Command Ship, as some of you may know. It's not a carrier but it's a pretty big ship, and it is not without its own symbolic value. And the Blue Ridge is in Port Hong Kong as we speak. So that visit was approved.

Now, in fairness, there were 40-some visits by United States Navy ships in Hong Kong during calendar year '07, Now that's the number that was given to me by the embassy; I've not checked it, but it's our guys there so I assume it's pretty close. So it's not like these were the only three visits we requested and they were turned down. It was the manner in which these particular visits were denied that caused us concern. We didn't understand intention. Back to the big point here.

You know, if you want to be a responsible stakeholder--I guess those are Zoellick's terms. If you want to--the Chinese terms--be part of a harmonious civilization and you want to be understood as advocating a peaceful rise, great. We'd love to have you do that. All of us would. What's not to like? But there are rules. Again, some written, some unwritten, where you have to abide by those rules or you will not be regarded as a responsible stakeholder. So we talked about it some with them, and nobody said, no, no, no, you don't get it.

Now back to--remember I was talking about this General [Chen Bing Duh]. He was the most, the least [laughter]--I don't want to--I'm overdoing it when I say he's the least amiable. He was the most direct of any of the calls, and before I got into the room the press corps had assembled and he was talking to them about the Kitty Hawk port visit saying, well they--the United States--didn't follow established procedures. The procedures are well known, and we just didn't have any choice but to say no.

That's nonsense. We know the procedures. My first time I went to Hong Kong was in 1969 or '70 as a midshipman. We've been going there for decades. We know the procedures. We follow them every time. So that was Hong Kong.

Then we swung through Japan and got to meet the new minister. Not my first Minister of Foreign Defense. In ten months I've met a few. And General Saito, their Chief of Defense staff, and the Minister of Foreign Affairs. All calls were candid and reinforced the strength of our alliance, which is the linchpin of our Theatre Security Cooperation Plan in the Pacific.

The Japanese, as are most other countries we visit, wary of the People's Republic of China. It is usually, if not--it's almost always a question I get in our travels to other countries, is how do you

view the People's Republic of China? What are you doing about them? And I think that folks, I have heard it said that they view, all of those countries view us--the United States, Pacific Command--as a hedge against PRC development, PRC strengthening.

And so the point we emphasize, back to the PRC, it's not us versus you. There's plenty of room. But don't make any mistake about it. We need to understand better your intention. We'd like you to be more transparent, lest this uncertainty lead to confusion which could lead to crisis which could lead to conflict. And we can prevent all that by reducing this gap in transparency and comprehension of intention.

So that was Japan, and then came home. So good trip. They are most assuredly thinking Olympics in Beijing. In Shanghai, you wouldn't know there is an Olympics coming but in Beijing you get it. There are electronic countdown timers clicking away all around. The air is not necessarily crystal clear. [Laughter]. Though they say they are going to make accommodations, and they're pointing towards August 2008 in a big way.

Q: I'd like to turn your attention to another nation of interest in the region; North Korea. We all can follow are the reports of the negotiations and promises made and progress or not. What is your assessment today, Admiral, of the North Korean threat? Have we gone from red to orange because of the negotiations? What will you say? And as we diminish our footprint of boots on the ground, how are you managing the rest of the assets in the area, whether marine, ships or planes to maintain deterrence?

A: From where we sit at Camp Smith in Hawaii, there has been unmistakable progress, though not breathtaking progress, as we seek a nuclear-free peaceful peninsula. We're optimistic. Most assuredly, it's a very guarded optimism. It's a cautious optimism. It's a trust-but-verify optimism. But we're optimistic that through the 6-Party talks, Ambassador Chris Hill and his colleagues, the North Koreans are coming to understand the role they can play as a responsible stakeholder--Zoellick's rating. But that said, we're not taking anything for granted at Pacific Command.

We continue to exercise with General Bell's troops permanently stationed there in South Korea; 28,000 or so. I think today if they were to call muster, Tom, there would be about 28-grand today, about, somewhere near. We conduct exercises with all the other forces, naval, Marine Corps, air. We watch through the various--those exercises are conducted in and around South Korean water. We are not relenting a bit on our intelligence gathering and information gathering efforts.

I've met with Chris Hill a number of times as he has shared his perspective on the progress, albeit it's little teeny, tiny steps sometimes. And it's not always--you know it's sometimes two forward and one back or two back and one forward. But, we're cautiously optimistic. We're very, very, very careful about any military developments associated with North Korea. We maintain a healthy presence all throughout the western Pacific, not exclusively to counter North Korea, but we watch more carefully North Korea and we think that we are closer to peace and stability in the peninsula than we were a year ago.

Q: Moving geographically to India. You obviously are on the Indian side of the Pakistani/Indian

divide. And I'm just curious. We've been hearing a lot from your colleagues over at Central Command and also at the Pentagon about General Kiani being much more focused on counterterrorism and counterinsurgency on the Afghan border than India. And I'm curious if you've engaged at all with the Indians on this issue; whether they see the same perception in the last month or so that Pakistan has refocused its military westward as opposed to eastward. Is there any sign on the Kashmir border that they are hopeful that Kiani has moved? Any engagement you've had on the Indians about where Pakistan is located?

A: As you describe it, we think that's an accurate description. There is emphasis west, not east, from Pakistan. All indications we have, direct and I'll say indirect, but second-hand conversations where we get to debrief; for example, Admiral Bob Willard from Pacific Fleet was just there.

All indications that we get, there is marginal increase in Indian military levels of readiness in their force posture. It may be due just to an appropriate uh-oh; you know there is obvious tension in a country where they share a border. There has been conflict over that border, but no major troop movements, no major adjustments in force posture.

So put different, we think India is responding appropriately and we're not concerned about it. And we have direct and second-hand confirmation of that.

Q: Just as a follow-up on the other end of it, is there any sign that perhaps this is an opportunity? Obviously, once the instability ends and elections happen that this may be an opportunity for the--

A: [Inaudible].

Q: Right, exactly. But because of the issue of Kiani, at least in theory, being less focused on India as a threat and seeing the west more as a threat, is there any opportunity there, do you think, for the thawing in the relationship or is it that India is too concerned about the instability of it to--

A: While we were in India, I don't know, summer, early summer, I was pleasantly surprised at the candor and the openness, if you will, of the folks with whom we met. Go back again. I was there in '85 with Crowe and it was fairly stony. They were of course this fiercely non-aligned nation. They're still not aligned, but I don't know that--they weren't as demonstrative of their ferocity, if that makes tortured syntax. [Laughter]. But it was--our visit was enlightening; I'd say pleasant, once again.

And as an example of this decreased ferocity, there was Exercise Malabar conducted--it had been long scheduled--about two weeks after we left India. Two US aircraft carriers, an Indian aircraft carrier, a Singapore, Australian, and Japanese naval complement all participated in the Bay of Bengal in an operation that lasted a week. Now, I would have said no chance ten years ago; twenty years ago, absolutely. It went off without a hitch. The Indian Harrier, the engine quit. He jumped in, somebody else picked him up and put him back on the Indian carrier and they went about their business. So twenty-some ships; it went without a hitch.

Things are better in terms of theatre security cooperation with India and throughout the entire

region. Now there is another side to this. If you're China; here's China and here's the United States, Japan, Australia, Singapore, India. If you connect the dots, what does it look like? Not the intention. You know we'd rather it say, you can go any direction and we'll be happy to receive you. They view it as--we're told that some say we're trying to fence them in. Not at all the case.

But back to India, good relations, getting better. We're going back there fairly soon and I'm very optimistic that we will continue to develop a sense of common goal for peace and stability.

Q: Sir, going back to China and your discussion about transparency. That was a big point you wanted to make. What was their reaction to that and what was your sense of what they wanted from you? And if you could also touch on the point you just made about the sentiment there of encirclement. I didn't catch your last phrase on that.

A: On the first part, Dave, I don't know what they thought when we took it a little bit beyond just transparency. My hunch is it was the first time that had been put to them that way. We're hardly all that innovative, but it was in our estimation clearly a step beyond just transparency. And as you're doing right now, the pens were scribbling furiously. They've got banks of note takers and they're all furiously writing. We got no pushback, I'll say.

Now some in the room were watching faces and all that; Jeff and Paul Hanley were. Did you guys get any sense of, my god, this guy is off his rocker? It was accepted. There was polite conversation. In the case of the anti-satellite test, as I said, they say, well, I don't know, you know, okay, umm, but we're not the only ones who do it, and we'll see. That will be the main theme of our next visit, which won't occur until after the Olympics. But as we begin to craft/formulate our goals and objectives for the next trip, that will be [at the center].

Let me put it a different way. Instead of just wanting to go look at ships or submarines or airplanes, I've seen a bunch of those. I don't need to see a Chinese airplane to understand they've got airplanes. They offered us a chance to go to an airfield and we said no thanks. Turns out there were no airplanes at the airfield so it would have been me looking at a strip of concrete. I've done a little bit of that too.

So we're hopeful. We're optimistic. We saw nothing to disabuse us of the notion that this is being at least considered and it will be that they'll chew on it. Because it's a pretty big step for them. I don't expect to see overnight a dramatic change. It just doesn't happen that way there.

I'm taking more time, but one of the things we were trying to do while there was to say, if something comes up I'd like to call you and say what are you guys doing. You know you do that day-to-day with your wife, with your business partners. You try and get hold of George Steinbrenner at the New York Yankees, now what are you doing? Sometimes you get him, sometimes you don't. It's as tough to get these guys as it is Steinbrenner, if you will. I haven't yet been able to pick up the phone, because they've got phones, I know they do, I saw them. [Laughter]. I don't yet have a phone number, but we're working on that as a measure of this developing trust and confidence. They haven't said no, they just haven't given us the phone numbers yet. [Laughter]. So we're working on that.

What was your second one, Dave? Oh, the encirclement. It didn't come up while we were in

China, and this is relying effectively on second- and third-hand information. The Chinese expressed concern to the Indians, I think, and not the Japanese, maybe the Singaporeans about this; wait a minute, if we connect the dots it looks like you're trying to fence us in. We are working hard, as I said, to disabuse them of that notion.

We invited them to participate in all manner of exercises; to send their officers, mid-grade, their senior enlisted to the war colleges, to the Naval Academy. Whatever it is you want to see, we at Pacific Command can help arrange that. And I guarantee you that Jeff Fowler at Annapolis or the superintendent at West Point would be happy to have those visitors. So we don't want them to be seen as fenced in. We don't want them to even sense that they're getting constrained because, again, we don't know their intentions. They may choose to react in a way that we don't think appropriate.

Q: Hi. Could you give us a little bit of an update on the Taiwan arms deal? It stalled for several years and includes diesel submarines, and there seemed to be some forward progress last year. And also, did it come up at all in the conversation? In the trip to China you mentioned Taiwan obviously.

A: In reverse order--yes, it did. [Laughter]. But not--I mean it was almost a pro forma--we could have written the speech before they gave it in almost every case. Taiwan arms sales are the subject of a long--some of you may know more about it than I. You know it has been going on for years and years and years.

Our position is we provide Taiwan those systems and training that will help them improve their defenses. Now that gets to be an interesting case. You say, well an F-16; how does an F-16 help you be more defensive. Well if the other guys have 2,000 jets, all of which have air-to-air capability and air-to-ground capability, and you have 20 jets, getting more jets would help you improve your defenses. Getting more surface-to-air missiles would help improve your defenses.

The Chinese are most assuredly developing some offensive capability, area denial capability, and those developments concern us--the United States. They most assuredly concern Taiwan.

And so through congressional approval of sales, we are looking to provide Taiwan those systems that would improve their ability to defend themselves. As to where they stand right this second, I don't know. If it changes fairly significantly, there are folks in OSD who watch that more carefully than we.

We help the Taiwans with some of their exercises at a colonel/captain level and below, and it is that part of the calculus with which I am a little more familiar.

Q: And you mentioned when you were in China you could have guessed their speech ahead of time. Could you say just a very brief rundown of it?

A: You, the United States, don't understand how important an issue Taiwan is to us. It is a matter of national urgency and sovereignty. The Taiwans may seek independence through referenda or seek de jure independence. You're giving them arms that will heighten tension across the Strait, and we would appreciate it if you would cease and desist.

And we say--you can give my response. [Laughter]. It's only defensive, 1979, and they just kind of go--I mean it's--we could exchange notes beforehand and save five minutes. [Laughter].

I don't mean to be glib about it because it's a serious situation. I got the sense while there that the folks who say we are entering a grave period for potential insecurity across the Strait of Taiwan, I did not get that sense while I was in China. Didn't see everything, didn't talk to everybody, but I came away no more alarmed, no more worried--alarmed is too strong a word--no more worried than I was before I went on this trip.

Q: I'd like to get back to the issue of China and intent concerning their arms buildup. What can you tell us? Have they slowed their efforts to build what the US calls offensive capability in terms of Taiwan? How is that? What has been the pace of that in the last year? And then secondly, what can you tell us about the pace of Chinese espionage efforts in your theatre within the last year or so?

A: I don't know that they have increased or decreased their pace of weapons development if you measure it just against Taiwan, Eric. We look at it on the broadest scale we can and that's all the Pacific.

They have taken some ships and done blue water. That's perfectly fine. Blue water voyages, two ships up through the Strait, up into northern Russia, Petersburg, Mediterranean, back down around and back into China. They did some blue water operations down into New Zealand or southern Pacific. Interesting. That's a hard thing to do. There are other countries who do it as a matter of fact 7/24/365, but it's something they had not done, of which they had not done a lot before this summer. They're doing a little more blue water work.

They are developing some aircraft systems that we watch very carefully; both the systems, the airplanes themselves, and the weapons they are using from those airplanes. They have a bristling number of surface-to-surface missiles across the Strait of Taiwan; it's measured in hundreds. You kind of go, whoa.

The Chinese told us on our first trip, we only want to protect those things that are ours. If you accept that at face value, well okay; we can understand that. Developing a blue water capability when your energy needs are almost incomprehensible and 95 percent of the oil you burn comes through the Indian Ocean, Bay of Bengal, Strait of Malacca, and down, up, around the corner, and into China, you'd want to have some capability to protect maritime assets. Got it, understand it. Been doing it for centuries.

So we're concerned about the development of systems, about training we see them conducting, and about techniques and procedures that indicate more than a desire to just protect what's ours. And that's why we're stressing what is it you're doing? Let us know.

Q:--you haven't seen the deployment of new things down there in the last year, but that gives you greater pause and then more--

A: We have seen the deployment of weapon systems throughout China, including across the

Taiwan Strait, that are reason for heightened interest.

Q: Okay, on a pace with their espionage efforts in your theatre?

A: We're careful. We're watching issues like computer network security. It is fairly obvious, but we're also paying attention--check with diplomacy. These aren't spies, you know James Bond, running around. They're stroking checks all throughout the South Pacific to build piers and buy cars. So there is intelligence gathering and then there is information sharing. We're not reluctant to share information with China. Reciprocity is an important part of this. Writ large, I am not overly concerned about Chinese intelligence gathering more or less than normal in the Pacific.

Q: Did they give you an explanation for the Kitty Hawk and minesweepers incident?

A: They did not give me an official explanation. No, Sir. The best I got, and I don't know if we had anybody in the room before we walked in--was anybody in there before we walked in? When [Chen Bing Duh]--were you there? Did you get any translation, Jeff, or was it all in Chinese?

Jeff: Just the translation was that proper procedures weren't followed.

A: So it was indirect. It was second-hand. And I didn't hear about this until we were done with the [Chen Bing Duh] call. So no explanation given on the mainland in China, nor any explanation in Hong Kong other than some clucking that they wish it hadn't happened, in Hong Kong.

Q: So if I understand you correctly, a Chinese official told the Chinese press that the Kitty Hawk and the minesweepers didn't file proper procedures? On the Kitty Hawk?

A: No reference, well I got no explanation of which I'm aware about the two minesweepers, just no. The explanation was provided for the Kitty Hawk.

Q: So they didn't offer any kind of apology or--

A: Most assuredly, they did not. [Laughter]. But when I answer it that way, I'm being too cute maybe. They also weren't chin-out, kiss my grits about it. [Laughter]. And again, I go back to the first call with Yang Jieshi. He wanted to make me--again, tapping his interpreter--he wanted to make sure we got it right. He said--I think his words were--let's stay in touch. So the sense I got, and again, this goes back to the overarching kind of tone, texture, and hue of the whole visit, they didn't want to be confrontational about this. They just wish that it'd go away. My words--overstating a little bit--but it was a clear sense of, oh man, we could have done that a lot better. And I'm not as concerned about it today as I was before.

Q: China has been stepping up military aid to the Philippines, and I was just wondering if that's a concern and how does that affect our joint exercises--

A: The second part first, Anna. It doesn't affect them at all. You know the term checkbook

diplomacy. We're not doing anything, I don't think we're doing anything different in terms of exercises or engagement or exchanges than we were two years ago, five years ago, before the Chinese started this. Now we check. Every country we visit we go to our embassy and we get a country team update, and with regularity the country teams will point out--and this is in countries big and small--Chinese are around. And they are building the prime minister a new home or buying him or her a fancy car.

Now our embassy folks will say the people will take those, they appreciate them, but they'd rather have a gymnasium or a library than a fancy home for the prime minister or a new car. That might be. You know that's easy to say if we're so smart, okay, build a gymnasium, build a library. You know we don't have quite the disposable income the Chinese appear to have.

But another way of looking at it is the old rising tide raises all boats. If the quality of life throughout the Pacific can be improved by a series of programs and exercises that all people benefit from, well then I suppose that's okay but it gets back to intention. Are the Chinese doing this so as to get more folks on their side of the China/Taiwan independence issue? Are they looking to be able to get a toe hold [alarm sounding] in the country if they wanted to? [Announcement]. [Laughter].

You know, we have not heard, I have not heard from anyone as to what in particular the Chinese are hoping to achieve by spreading some money around in the Philippines, Indonesia, Malaysia, wherever. [Alarm and announcement].

But the conversations I have, no one is saying, hey, you've got no chance, we're all about China. It's much more balanced. They want to have us nearby. If not right next to them, they want to have us nearby--us, the US.

Q: And a quick follow-up. In the Africa Command, looking at, is that something you guys discuss at all and--

A: You bet. Yeah, we're meeting. We start tomorrow morning. [Alarm] Many of you know about the DSLC, Defense Senior Leadership Conference. Kip Ward will be there and this will be a topic of conversation.

Q: Okay, Admiral, I wanted to ask you a little bit more about the ASAT test. Given your discussions with the Chinese recently, do you have a better idea of what their intention was?

A: No.

Q: Okay, no. [Laughter].

A: Well, we were probing pretty much. Because we were the runs who brought up this visit. We were the ones who brought it up the first visit. It was not on the Chinese agenda, to my knowledge. On both visits, on one occasion on the first visit and on two or three occasions on the second visit, we used this as the, we don't know why you're doing this.

Q: Did you get an idea of who? Was it a political decision or was it a military decision or--

A: My sense is it was both, and who had the final say so I do not know. But it was both sides. And again, they're not aligned the way we think about it where there is a State Department and a Defense Department. And then, of course, over all of this is the Party and the Politburo. So I don't know who had final say so, but there were folks at a very senior--I believe, I don't know but I believe that there were folks at very senior levels of government, not just one agency, involved in the decision.

Q: Okay, and then finally on the ASAT, what is your thinking in terms of what the United States should be doing, or our allies, in terms of protecting satellites and all of the links and everything that make that whole network work?

A: We're obviously increasingly dependent or, to a greater degree, dependent upon links in space than we were when I was first going about this business. We are taking active measures to protect those assets and capabilities that we have. It's not without price, but in my reports to Congress and to the Secretary and the President I have not--I am not overly concerned. We watch it carefully. We are working to develop safeguards and alternative methods that allow us to move information with the same degree of protection. It is not an insignificant issue, however.

Q: Admiral, last August, I believe it was, the Russians [inaudible] while in the Pacific and Atlantic and North Sea. In November, I was in Europe talking to some senior [defense] officials. They said there was nothing threatening about what the Russians are doing, but there was some concern since the Russians weren't following the normal international practices for safety routines, filing their flight plans, things like that. So I'm wondering how you would characterize what the Russians [inaudible] and if you share those concerns.

A: Not to quarrel with whomever it is you shared those conversations with--

Q: It was General Hobbins and his operations officer at the time.

A: I'd put it a little different. To my knowledge, the Russians are observing international ETO, whatever ETO stands for. The international FAA. They're not necessarily telling us as far in advance as we'd like that hey, two days from tomorrow we're going to launch two Bears out of Ukrainka and we're going to go up and we're going to go from A, B, C, D, E, F, G, up northern Canada and come back down around.

We are uncertain as to what the Russians are doing beyond flying. Well, you know, they're allowed to fly. They're flying profiles that are different than we fly. Those profiles are very similar if not identical to profiles they've flown for years and years and years. There had been a gradual and then fairly steep drop-off in the number of sorties flown over the past say three or four or five years; I don't know, in a while. And then, as you say, this summer it kind of spiked back up. It has been very flat, I think I can say, in the very recent past, since the first of the year, but there may be indications that they're going to resume.

Why are they doing it? We think it's because they've got the money. Putin has got cash. He's looking to reassert Russian military presence, so he's flying long-range bomber sorties.

Q: And nothing disconcerting in an overt safety threat to civil air space?

A: None to my knowledge, and we're watching it pretty carefully.

Q: Admiral, two quick clarifications. Number one, Taiwan came up at every meeting. The Chinese brought it up at every meeting?

A: Yes, to the best of my--I don't remember a meeting where it didn't. And I don't know, I'm trying--

Q: That they didn't bring it up. Not that you brought it up.

A: I did not bring it up. I don't recall ever bringing it up. Paul, you were there. Jeff. I think the Chinese brought it up every meeting. I don't think I ever brought it up, but I responded every time.

Q: Secondly, you do not know who made the decision in China to deny the Kitty Hawk access?

A: I do not know.

Q: Did you ask anyone who should have known and they refused to answer you?

A: We didn't put it that way. We had consciously decided before going not to make this a cause clΦbre. And it was done.

Q: So you were listening, but you weren't asking.

A: We were trying to put it in a different frame and in a different way to say, look, you--responsible stakeholders, responsible countries just don't behave this way. As an example, denying at the last second ship visits. I mean, what's the point? Okay, some one or two folks brought up arm sales to Taiwan. But we didn't get into specifics. We just said we'd like to have our ships go to Hong Kong, and we will follow procedure.

Q: Finally, as someone who has done this for a long time, how is it dealing with a foreign country that is such a major economic partner of the United States compared to one that isn't? Is this a shoal that's never explicitly stated, but you always know it's there, or is it different?

A: It's different today than it was in the mid-'80s. Understatement of the morning. But those folks with whom I deal aren't overbearing about it. We hear more about the economic aspect from our country team than we do our hosts. We hear more about the economic aspect as we work our way around the other countries of the Pacific than we do from the People's Republic of China. And I don't get the sense that they're saying, that it's kind of this, well, man, if we could show you all the cards.

It's just there. It's a fact. It is not discussed. It has not been broached except in one conversation, and as best as I can recall, back in May where we inquired about the transparency of their percentage of GDP against Department of Defense policies and they said, you don't understand;

we're looking to develop a healthier more sustainable force and our personnel costs are rising and that's where all our money is going.

We're not unfamiliar with that dynamic in the Department of Defense, and so we just kind of nodded our head. Which is a long way of getting around the point. Their economic power and progress is not a topic of conversation in the meetings I've had.

Q: It's your sense it reduces your latitude?

A: No. Rather the contrary. I think it improves our--it allows us more opportunities to share information, to offer these exchanges. I view it as an opportunity and not a challenge.

Q: I don't want to beat a dead horse here but I'll try anyway. [Laughter]. Anyway, it's not that I'm interested in the incidents themselves but with regard to the Kitty Hawk and the minesweepers, what did you draw from not only the incidents but their reaction to it? Do you come away feeling that there's a lack of sophistication about the messages that they send and incompetence, or is it there's a lack of control maybe from essential message [inaudible]?

A: The government of the People's Republic of China is a big, big machine and there are requests that when filed properly, and this isn't just port--I suppose [inaudible] Van Lines--maybe, maybe not. [Laughter]

Anyway, I know for a fact that the Kitty Hawk--we do all of when's it due, 96 hours prior, okay, six weeks prior, we check the--it's a checklist. We go yes, yes, yes. It got into a channel, probably the appropriate channel in China, and someone who was sufficiently empowered or authorized said no.

Reasons they said no, he or she said no, might include pique over Taiwan arms sales, pique over the Dalai Lama gold medal, pique over Chen Shui-bian's latest. Don't know.

When the news came that Kitty Hawk was denied, we got hold of our embassy and Ambassador Randt and his guys and girls worked hard to get the decision reversed. But the way the Chinese system is built and operates, it's not so simple to just pick up the phone and say, you said no, could I ask you to reconsider. And you go, oh, I didn't know there was such a thing as Thanksgiving. Jiminy Christmas, I'm sorry, they can come.

Whoever it was said no was either told to say yes or said yes in the fullness of time; it was just too long. And it comes back to the question. We intentionally didn't grind glass in their eye about it. [Laughter]. Over. Done. Let's try not to have it happen again, and you can count on us, the United States, to be meticulous in adhering to the checklist.

Q: Thanks. Good morning. I want to take it back to Japan. Today it was announced that Japan is actually cutting back its host nation support amount and, as you know, they've just recently started to resume coalition support in Afghanistan after months of wrangling over that. So it's clear that Japanese politics are changing, especially in regards to the alliance. So I'm wondering how you've adjusted your--

A: I wouldn't put it that way.

Q: Really?

A: Just there. Talked to the Minister of Defense and the Minister of Foreign Affairs and they said strong as ever.

Q: Well of course that's what they say, but you know there's a growing opposition that's got hold of the upper house. I'm wondering if you've changed your approach at all to deal with these changing Japanese politics. But also, if they say strong as ever, then what are their concerns? What are they lobbying for in these meetings regarding the US/Japan alliance when they're talking to you?

A: The makeup of the upper and lower house, okay, there's increased opposition in the upper house. Well, I don't know that it's increased opposition to the US. It might be to fill-in-the-blank as to whom they're opposed.

I lived in Japan for two years. I have good friends there in various positions. There is zero sense I get that they are wanting to draw back from or even reconsider the essential elements of the alliance. So I don't have the concern that might be manifest if you make a case, well the host nation support is going down. I know Ambassador Schieffer was involved directly in protracted--protracted is the wrong word--candid discussions with the Japanese government and we are getting about what we--I'm not worried.

Q: Okay, so, this is not a follow-up, but just what are their concerns? What are they--

A: They want to be assured that the strength of the alliance is as strong as it has been. They of course see, and it kind of goes to kind of the economic engine that is China and possible development of military capabilities. They want to make sure that the United States is as strong a partner as we were.

Q: Were any of your high expectations for the China trip not met, and also, where do things stand on the development of a phone call?

A: Well it's kind of a pedestrian thing, but I really am anxious to be able to get hold of somebody. Kind of the way you're brought up, you know, your command center calls my command center and we check in whenever we do VTCs. It's just kind of the way I've been brought up. And if you've got a question you call them. Why did you say that? Or did you misunderstand me? How can I help clarify this? And I don't have the phone number yet. So of the expectations, that's one that hasn't failed but isn't yet--it's still a-borning, if you will.

And the status of the hotline; OSD has technicians with our embassy folks who are working it. It is "in work". There is not a phone yet that they can pick up, but it's closer and I think mid-February, does anybody have any--

Voice: Mid-February is the next meeting with the Chinese when it will be discussed.

A: So it's coming. It hasn't been turned off yet. It's not on, but it hasn't been turned off.

Q: Admiral, China has a law which says that if there is no peaceful unification with Taiwan then we'd use force; however, you mentioned that they have missiles. One estimate is a thousand; another is 1,300 radar-guided missiles. As far as sending a carrier group into the Straits to head off an invasion as President Clinton did, we have non-stealthy ships. Do you need a DDG-1000, which we don't have any of, an LCS, where we've stopped production at two? Do we need more subs to counter their much higher production rate?

A: Do you, the kid going into the candy store, want a little bit of all of the above? A personal concern of mine is our budget. I just think we must find a way to capitalize on capabilities that we have and we need in as efficient and economical way as possible. That means that very high-end sophisticated platform; yeah, we probably could use a few of those. A stealthy ship being a big difference in the Strait of Taiwan, a stealthy airplane being a big difference, a B-2, an F-22, a stealthy ship; could it help? You bet. Is it essential? Don't know that it's essential, but it could certainly help.

What we want to do is make sure we don't have to use them, and so that's where it gets really tricky. What capability is sufficiently impressive both in utilization and on the shelf that it makes sure that countries like People's Republic of China do not pull the first trigger?

And so it is of less concern to us at the Pacific Command what particular piece of hardware do we employ than the full component, the full suite of systems and system of systems, joint, coalition if necessary, do it ourselves if we have to, that ensures the first shot is not fired.

Q: I have a question for you about ASW. I was wondering if you could talk about that a little bit in the context of your discussions with PRC [inaudible] looking ahead.

A: Submarines didn't come up, I don't think directly, Grace, in our conversations; submarines or anti-submarine warfare.

We know the Chinese are building submarines and buying some, I think. We watch them carefully. It's an area of warfare at which they're stretching a little bit. Their numbers of submarines are increasing. The capabilities resident in those submarines are not unimpressive. They're pretty good. We're better. And if it were bad, we'd somehow have to go to the Secretary of Defense and the President and say, boy, we've got trouble in River City. We don't.

To answer your question directly, the submarines and anti-submarine warfare were not topics of conversation in my visit.

Q: What sorts of conversations did you have with the Chinese about Guam and the military buildup there and their concerns?

A: Yeah. Great question. Didn't come up, I don't think. Did it? No, I don't think the Guam word was mentioned. It did with the Japanese, as they are obviously the other partner in the Defense Policy Review Initiative, and they assured us again of their continued commitment to the execution of DPRI, all of the aspects. But I don't recall, and I'm pretty sure, Guam never being

discussed while we were in China. It didn't come up.

Q: Do you have a sense that the Chinese are monitoring the development in any way that's especially visible [inaudible]?

A: I kind of hope they do. [Laughter]. We've got a number of B-2s in Guam now. I'm hoping they notice. [Laughter]. We're doing our best to make sure they do. We want them to understand that we're going to continue to course around the Pacific in ways apparent and maybe not quite so apparent, but we're going to utilize all the arrows in our quiver, if you will, and B-2s in Guam, continuous bomber presence writ larger in Guam and elsewhere. We've been told to do it by Defense Policy Guidance, and we're most assuredly doing it.

Q: Very good. We'll have to leave it there.

A: Okay, thank you everybody.

Q: Thank you.

END TEXT