



The Canon Institute for Global Studies

Paul Goldstein Seminar

“U.S.-China & U.S.-Iran: Trumpian Disruption and Changes in the International System”

【Summary of speech】

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Venue : The Canon Institute for Global Studies Conference room

- Trump's Unconventional Approach (1st Dynamic)
 - NOW: We are living in transformation time, no stability; structures of international systems are undergoing changes; key to change is China.
 - Historically, the U.S. has intervened to promote democracy under a missionary approach; Vietnam, Iraqi, etc.
Woodrow Wilson's speech before WWI: "U.S. ambition is to make world safe, democracy, ..."
U.S. military involves not only militarily but also economically to 109 countries to defeat terrorism.
 - Trump doesn't behave like a normal president; he disrupts the international diplomacy just as the same way digital economy disrupts normal economy.
Trump does not rely on secret channels, traditional diplomatic relations, but rely on personal connections to world leaders.
 - Why? Because, the U.S. ignored the rise of China from the beginning of the relationship starting 1979. He believes that international system needs to be reformed because of the rise of China.

- Traditional U.S. View of Asia
 - George F. Kennan is a Russian/Soviet specialist. His mentor is John V.A. McMurray.
In 1935, McMurray suggests traditionally, the U.S. views China with greater sympathy than Japan. The approach to Japan and China as Mr. Goldstein describes is "soft, hard to China and hard, hard to Japan". Joseph Grew in 1937 describes in his memo: "the generally accepted theory that Japan has always been the big bully and China the downtrodden innocent".
 - Starting 1793 of William College, U.S. embarks missionary approach to the world including China during 19th century, where financed by the U.S. – China merchant class to promote Christianity and western style democracy. This led Rockefellers and others to bring about hospitals and social reforms busting up the Opium dens to save China for itself. The U.S. came to Japan in 1833 at Yokohama.
 - When British launched opium wars in China, the British cut off the U.S. special relationship with China. During the period between 1777 and 1842, the U.S. primal trade partner in Asia was China. Once we were cut off by the Opium war, the U.S. shifted its partner to Japan. In 1853, the black ship showed up at Yokohama harbor. This was the beginning of the shift in the American policy in Asia.
 - However, what did we understand about Japan? Practically nothing. The U.S. is only today, now, even 70 years after the end of WWII, beginning to believe that the U.S. can build a special relationship with Japan based on understanding who and what Japan is.

- John V.A. McMurray
 - Rather fascinating career. Posted to Peking 1913-17, Tokyo 1917-18, Head of State Department Far East Division 1918-25, delegate to Washington Conference 1921-22. Therefore, he was "the" top expert of international law and Chinese treaties and foreign policy.
 - Uniquely stated belief: "the realism, balance of power and international law are all complementary".

- George F. Kennan
 - Kennan resigns or forced out of the State Department after writing

Mr. X famous telegrams in 1946&1947. In 1966, Kennan made testimony to oppose Vietnam War. Dean Acheson, Secretary of State during 1949 and 1950, and Dean Rusk, Secretary of State from 1961 to 1969 push Kennan out of State Department. But, Kennan foresaw the consequence of what Vietnam is going be and wrote series of memo's while he is still an official of State Department arguing against going into Vietnam. For that reason, Rusk and anti-communist culture of McCarthy period moved to get rid of State Department. Kennan then moved to Princeton University.

- We are not in un-similar situation today. Our State Department is undergoing big changes led by Pompeo. CIA is run by 5 women today. Director, Head of Intelligent Analysis, Head of Operations, Head of Science and Technology, Head of the Administration, are all five women. Old mythology that CIA is being a male dominated. It is the first time to build transparent and accountable system inside the CIA. Old boy network which ran positive things and mostly negative things inside CIA is no longer in charge. CIA's service is run by Skull and Bones, which is an undergraduate senior secret student society at Yale University (e.g., Bush families, etc.).
- Facing different challenge: Rise of China
 - What happened in G20? This was analogous to Nixon shock in Japan. This is the biggest fear in Japan that the U.S. would abandon the closest global ally, Japan. For the U.S., Japan is the closest ally, not the U.K. There is Mr. Goldstein's June 24 article in Japan Times, "Japan's geo-strategic role in global affairs" and he highly recommends to read it for he views Japan as a global player, not a regional player.
 - Why did Trump tweet the statement about Article 9 of the Japanese constitution? Is Trump trying to change your constitution? NO! He is a sending a message that Japan's role has to be changed from Yoshida Doctrine, in which the U.S. will take all the responsibility of security. Japan was free to build economy after WWII and Korean War. This arrangement is what Trump is trying to challenge. Japan's role is to become equal partner, not in capability, but in terms of responsibility for the international affairs.
- Trade
 - The nature of the U.S. and China relationship: Trade, Technology, Security simultaneously. What does it mean? It has shocked Mr. Toyota, who wrote a letter to publish basically attacks Trump. Japan is facing recognizing of the issue of the trade. An outcome would be [thinking. It is a challenge to Japan. Japan is one of the smartest, most creative resilient cultures I have dealt with. From my perspective, Japan is unique; your civilization itself and now new REIWA period with new emperor. Now you have an opportunity to recast what Japan to become. This is the subjective side of the system. How each leader, citizen of Japan sees itself and recognizes that you have unique contribution to make global prosperity, peace and security. That is the objective of the U.S. foreign and national security policy despite the worries that U.S. to provoke another war against Iran, North Korea, etc. In my opinion, that is a mistake.
- Technology is the central question.
 - The U.S. maintained the superior position since the end of WWII, because of our science and technological capabilities and the ability

to translate into practical applications in business, military affairs and science itself. Japan is to grasp this concept with the promotion of the Society 5.0. We are on the verge of 1st inning of the baseball game of the digital revolution, artificial intelligence, which is known as “deep learning”. This will make possible decisions to recur much more rapid pace than ever before. Digital sphere will impact on physical reality. We will see the movement of next 10 to 20 years is that physical reality and virtual reality be merging. The U.S. pentagon is studying now on Russian intelligence operations of abusing AI to manipulate not only 2016 elections but future elections of the U.S. through arithmetic and analysis of human behavior and culture. Everything you are carrying this phone is now capable of being monitored by either Chinese intelligent or Russian intelligent. We are living in different world. Huawei is the cutting edge of this technology question. It is the question of which society is capable of creating the foundations for breaking through for whole other host of scientific and technological sectors. Look at the Chinese has done at Alibaba. Now Softbank and other Japanese companies are starting to get wind of this and to make huge advance in e-commerce sectors. But, it has to recur in the all sectors of the Japanese economy. Chinese and Koreans have probably the most advanced educational programs for training students for the future. The U.S. is now promoting again the so-called stan curriculum: science, technology, enterprise and management. It ranks 4th in the curriculum. 10 years ago, No.1 graduates’ degree was psychology, now it is now five or sixth.

- We are in the different world. The challenge posed by China, secondarily Russia, puts the world unnoticed that the traditional, international liberal order established after WWII is being challenged. And, China is looking to replace that order to have hegemonic power. 400 years ago, China was a dominant power. Then, it shifted to Europe and then the U.S. Unfortunately, China is not a great power, but a major power. Russia is asserted itself as a civilization state, not a nation state. It does not play by the nation-stated rules. As seen in Crimea and Ukraine invasion, Russia tries to redefine itself. China and Russia are pursuing neo-colonial policy.

■ Security issue:

- The U.S. has ignored China since 1979 until 2009 financial and economic crisis. Chinese, being Chinese Marxists, evaluated that the U.S. based on Marxists contradiction of finance capital was in permanent decline. China is going to launch the Chinese dream to pick the society of 2049 and in 2025 that China would supplant the U.S. as the leading power.
- Security questions flow from the above reality. 90% of the U.S. and China trade discussions are solved. At the last meeting between Lighthizer and Liu He (劉鶴), China is to cut from 150 pages to 105 pages all the enforceable parts of the agreement that would include punishing China for intellectual property theft, paying fines to enforce technology transfer. This is their position that Xi Jinping (習近平) and the standing committee had a complete consensus that they be going to change that position from accommodating the U.S.’s position.
- Can China be still part of the international systems while we are still rivals?
An academic Graham Allison of Harvard University uses analogy of

the period of Song dynasty (宋) and Manchu Kingdom of Liao (遼) dynasty in 11th century; in which the notion of strategic partners is written into the treaties of Chanyuan in 1005. In that treaty, Song dynasty and the Liao kingdom of Manchuria operated from the traditional tributary-state system of China, in which Song dynasty would pay tribute to Liao kingdom, and in turn, Liao kingdom takes that tribute and invest it into Song dynasty's economic development. This kind of creative thinking is required so that we don't turn China into enemy. There are lot of friends in CIA that are ready to go hard line. A friend says that Trump is making great strategic mistake when compromising Xi Jinping at G20. We have to be much more sophisticated when dealing with China, and we need Japan's creativity in 2000 years of history to help "dumb Americans" to figure out China. The American heart always is that the intention is honorable and Americans are good at the executions excluding Trump. Because of our lack of cultural understanding to other cultures, we had no understanding of what we are getting into in Iraq although Dick Chaney organized the team to analyze all the ethnic set of information of Sunni and Shiite.

- We are in the different world. (That is my theme) What are the goals?
 - Why should China be given a special status as developing country in the WTO? That was one of the major issues that Europe, the U.S. and Japan had agreed on. Now, we have to implement that. Trumps bilateral negotiations in trade is what I call the unconventional multilateralism. (see the article of Japan times) You do bilateral trade negotiations to get multilateral consequences. Trump insists on bilateral negotiations because he thinks he can win.
 - In terms of security questions, Huawei would not be permitted in our national security system. Japan has already made that decision. There is a debate on over that in Europe. I do believe that we are coming in consensus that, at the low-tech areas of 5G communications, Huawei can compete other technologies. Trump, before he met Xi Jinping at G20, had met semiconductor industrial associations (SIA), where 68% of the U.S. exports goes to China and only 40% of their profits comes from China. Trump is about to disrupt the business because of the national security reason. This is where unpredictable. He was definitely persuaded by SIA, and this was brought into White House by Treasury Secretary and Lighthizer, and that is why the change of policy occurred prior to the G20 meeting. These companies generate their revenue in order to invest in R&D; where China doesn't use private revenues, but use government spending. Now, there are 25 silicon valleys in China, not just Shenzhen (深圳) but other areas. China is convinced by spending billions and billions of dollars in research and development so as to overtake the U.S. However, the key contradiction in China is that it is a top down society. Japan has a potential to transform yourselves overnight and my company and my colleague here setting up PTP Japan to help Japan to train future generations of cyber warriors and cyber personnel. My company will be bringing in some of the top U.S. companies to come out of the U.S. intelligent community to work with the Japanese government and corporations. Israel has peculiar relationship with China, which the U.S. encouraged. Between 1979 and 2000 Israel provided China with the electronics of the missile guidance system with the approval of the U.S. This was to defeat Soviet Union, a part of the U.S. special relation with China. Were we naive? Yes! Did we make mistakes?

- Yes! Churchill said that the U.S. will exhaust every avenue to come up with the right one. Churchill was not wrong!
- How do we do containment to China? The traditional containment? It isn't to work. It means the multi-level, multi-dimensional approach. It does not destroy Chinese economy like we did to Soviet Union. Soviet Union collapsed because of the strategic defense initiatives (SDI) so called Star Wars. We launched Star Wars in 1983 and ... (intentionally deleted)
 - Can U.S. establish working relationship with Canada, Japan, Australia, Indonesia?
Offsetting the Chinese strategic advantages are being in a position to use more money in each of those countries, but now it is going to blow up. China's belt and road initiative is a great idea to build up infrastructure for developing countries, but once implemented, China is bringing in Chinese labors and human managers and build China towns such as in Africa. Now it is beginning to fall apart. Abe-san and Japan has smart infrastructure. And it is Japan that is No.1 in the global infrastructure, not China. Japan is in a unique position to help transform the world peace stability. That is an American objective, what we are aspiring to.
 - Today, there is an ongoing maritime exercise in Australia, called Talisman Saber 2019. The U.S., Japan, Australia, India, Canada and New Zealand are now conducting these exercises. 19 countries have been invited as part of the visitor's program. Other countries are embedded in the operations. This was in today's "Stars and Stripes", an American military newspaper. The specialized media coverage is much better than the standard, social media with the whole other zoo, because there are a lot of fake news and Russians are good at manipulating fake news.
 - In Europe, France and Germany. France is now making a different set of moves. France has allowed India to use Reunion island as a port of core. Macron are trying to guide France now to be away from German friends, because the core of the EU and the economic development of Europe in post war period were France and Germany, where the Brits never trusted. Next prime minister of GB would like to be Boris Johnson, Trump's favorite prime minister. I have a lot of British friends, they just find this absurd. How would two barbarians have empowered in Washington D.C. and London? This is a kind of change that we are being subjective to. We are either to adjust and participate in or going to opposition to democracy.
 - However, it seems that the population of EU is going against EU. Look at the recent election at the EU; greens and right wing. Europeans, especially the Germans, want to continue old systems. It is European aristocracy. They have been in charge of Europe for a long time. EU projects and Euro-launches are part of the socialists international. Mitterrand was convincing Kohl that the Germans future, the unified Germany, would be relied on Europe. Now, is Trump to destroy EU? Well, may be. He does not opt to destroy NATO, just shaking NATO. If you look at the spending patterns of NATO, many countries have increased its spending, but only Germany has not increased. Japan has steadily increased its spending, although Japan has cultural, domestic problems.
 - So, what is going to happen to the U.K.? Would be a hard Brexit? The U.K. has started informal talks for FTA with the U.S. The U.K. has a natural, global position called Commonwealth. The U.K. will rebuild international system anchored to the U.S. and Japan

- relationships. It will be the U.S. and the U.K. and Japan a trilateral platform. That is my projection.
- Israel would be a player along with France and perhaps Germany. Italy is another case, just led China in. It is a belt and road initiative and Chinese are already getting into Italy fashion industry by buying up Italian firms, sport teams, etc. So, we are moving into different era.
- Did G20 put the world in a direction to enhance global prosperity?
 - My answer is yes. I do think that G20 would reduce geopolitical tensions, but requires the understanding of what Trump is doing.
 - Iran
 - Both the U.S. and Iran are pursuing a maximum pressure campaign. Iranians are betting that Europeans and Japan will cry. Guess what, the opposite is occurring. Macron just sends a special adviser to Iran today to convince Iranians to convince Iran to stay in JCPOA. Now, Iranians are increasing the enrichment of uranium from 3.65% to close to 5%, it is 4.5%. It is the direction now of Iranian is going.
 - Attacks on Japanese oil tankers were not conducted by the normal chain of command in the Government, but rather it was attacked by the Deep State of Iran, the revolutionary guards. They have a special unit, Islamic Republican Guard Corps (IRGC) that carries out ... war fare operations and gets the guidance from the supreme leader. Trump said in his interview that it is exactly that IRGC represents.
 - Abe's position:
Strong personal chemistry with Trump. When Abe first met Trump on December 2016, they established good personal relationship. There is a genuine like of each other.
Abe did deliver Japan's message to Iran. Japan has a unique relationship with Iran for a long time. And, now Japan is needed in Iran it is to recover economic. Chinese are now trying to rebuild Iranian natural gas and oil infrastructure, and it is not doing too well. Japan is so secure compared to Chinese technology in this area. So, Abe is representing a Japanese interest and delivered the message on behalf of President Trump. The problem is the media coverage of Abe made him look weaken, but that is not true.
 - There is divergence between Iran and Russia, and China over staying in JCPOA. The Russians and Chinese now see the U.S. rebuilding its military position in the maritime sphere, not on the ground. There is a debate going on within a military over how we should secure the free flow of oil in the straits of Hormuz and Persian Gulf.
 - So, there are two areas that Trump is not operating impulsively, which are China and Iran.
 - Who is the President Trump?
 - In my view, he is the pragmatic man with mixture of a hubris, excessive rhetoric and a bit of genius. He is the one smart view.
 - Like him, I am a New Yorker. We don't listen to what the rest of countries says. Nice big Mid-Western, polite Southern, and crazy Californians. New Yorkers are totally different, different breed. I was born in Manhattan, and got a passport to move to Brooklyn. There is a huge difference between people of Brooklyn and people of Queens. People from Queens don't believe what they say. (joke)
 - The United States is going to the right direction. And, Trump has no

desire for another war. Uncle John Trump was a MIT physicist and scientist, No.1 adviser to the head of the U.S. army air force during WWII. He was an inventor of the radar, and opposed to nuclear weapons and nuclear war, he drew that into his nephew. Trump made several references to this during Presidential campaign.

- What you see out there is the showman, but it is the reality. Public diplomacy ... it is more transparent than ever before. Now, you've got politicians, everyone debating it. You've got larger turnouts potentials, especially among youth. If the Democrats are dumb, going to the left, probably would not defeat him. Democrats right now are under the political shift from what they were to what they are try to become. Gender, sexual preference, color of the skin, etc. matters more than being an American. I am not saying how much the dignity of each group, but it is not a substitute, it is a supplement for what it means to be an American. Is our immigration policy all screwed up? Yes. Are many of domestic issues all screwed up? Absolutely. This is the result of 1960s cultural revolutions, which is still playing out today. In this game, Trump is the ultimate decision maker, not Bolton. He does not rely on political advisers. This is the one unusual Presidency that could be turning into total disaster. But, this is one different Presidency. With that, I conclude my remarks. Thank you very much for your attentions.