THE BROOKINGS INSTITUTION

CENTER FOR NORTHEAST ASIAN POLICY STUDIES
AND
THE BROOKINGS-TSINGHUA CENTER

CHINA AND NORTHEAST ASIA: VIEWS FROM THE REGION

November 29, 2007
9:00-11:00 am

The Brookings-Tsinghua Center
Tsinghua University, Beijing

The Brookings Institution
1775 Massachusetts Avenue, NW
Washington, DC 20036-2188
Tel: 202-797-6000 Fax: 202-797-6004
www.brookings.edu

Host	**John L. Thornton** Professor, Tsinghua University Chair, Board of Trustees, The Brookings Institution
Moderator	**Richard Bush** Senior Fellow and Director, Center for Northeast Asian Policy Studies, The Brookings Institution
South Korea-China Relations	**Jae Ho Chung** Professor of International Relations, Seoul National University CNAPS Visiting Fellow 2002-2003
North Korea-China Relations	**Hyeong Jung Park** Senior Research Fellow, Korea Institute for National Unification (Republic of Korea) CNAPS Visiting Fellow, 2006-2007
Japan-China Relations	**Kiyoshi Sugawa** Senior Researcher, Policy Research Committee, Democratic Party of Japan CNAPS Visiting Fellow, 1999-2000
Russia-China Relations	**Alexander Lukin** Director, Center for East Asian and SCO Studies Moscow State Institute of International Relations CNAPS Visiting Fellow, 2000-2001
Hong Kong-Beijing Relations	**Chris Yeung** Editor-at-Large, South China Morning Post CNAPS Visiting Fellow, 2000-2001
Cross-Strait Relations	**Erich Shih** Washington Bureau Chief, TVBS CNAPS Visiting Fellow, 2003-2004
China's Views of East Asia	**Chu Shulong** Professor of Political Science and International Relations Tsinghua University CNAPS Visiting Fellow, 2006-2007

PROCEEDINGS

JOHN THORNTON: [In progress] …scholars have been very involved in U.S. national policy since the beginning and had a very big impact from time to time. Just by way of example, Brookings scholars were very involved in the American thinking behind the creation of the United Nations and many other important things since then. One of our goals in the 21st century is to become an increasingly global institution and it's been that thinking that led to the creation of the Brookings-Tsinghua Center. Our presence here in the Tsinghua campus—this is our first physical presence outside the United States, which also is an indication of our thinking about the U.S.-China relationship, and we're very appreciative of Tsinghua University and particularly of this school and the "Dean" here good work for allowing us to have this joint venture.

The director of the joint venture, Xiao Geng, is a very outstanding Chinese scholar. Under his direction we do a good deal of work here, either as an "effective advice" for the Chinese government or as a way of just making us smarter in Washington. We're currently working on an interesting project, for example, in financial system reform and the Brookings-Tsinghua Center also serves as the umbrella for any activity that Brookings does with Tsinghua here in China. So today's session is under that umbrella and also under the direction of Richard Bush to my left here who's the Director of the Center for Northeast Asian Policy Studies at Brookings, which itself has a got a long, interesting, and distinguished history. Richard has had a very long, distinguished career in the U.S. government, one of the leading experts in our country on China and in particular on Taiwan and cross-Strait relations. As part of the Center for Northeast Asian Policy Studies, they've built a very interesting program bringing Visiting Fellows to Washington from around the region. On the stage here we have a collection of the alumni. It's worked exceedingly well. It's a way of making all of us smarter about how different parts of this region see the region.

This morning we'll have a fascinating conversation about how each part of the region sees China. I'm going to turn this over to Richard in a minute. I'm also going to excuse myself unfortunately. I would love to be here, but I don't have the luxury of staying here to watch this because I have to go to participate in an audit committee meeting for ICBC. The good news is that the audit committee at ICBC is working very hard. That itself is a sign of progress in China.

So, I want to thank you all for coming. I again want to thank Tsinghua for allowing us to be here. I want to thank Richard for your leadership. I'm going to turn this over to you.

RICHARD BUSH: Thank you very much, John. Thank you for convening this program. And thank you for your leadership of the Brookings Institution. Having served for some time in the U.S. government, I have found that it was always important to understand how a great power like the United States is viewed by other countries. Sometimes it's a surprise, but a great power needs to know how it is being perceived. China is a great power and it's playing a more and more important role in the

international system. So it's important that China understands how it is seen and we're fortunate today to have people from the East Asian region who can offer perspectives of how their country, how their people are viewing China and each of them will speak for seven to nine minutes and then we will have an exchange of views.

To begin the discussion is my friend to my left, Dr. Chung Jae Ho who is a Professor of International Relations at Seoul National University. He is living in China this year. He has written the book "Between Ally and Partner: Korea-China Relations and the United States" published by Columbia University Press, and so he is absolutely the best person to talk about how the Republic of Korea views China and its rise.

PROFESSOR CHUNG: Thank you, Richard. I would like to thank the Brookings-Tsinghua Center for having me here. Having lived in Beijing for three months, I think the main difference Washington and Beijing is that in Washington, DC you get to have a lot of different seminars on different countries in one day. But during the last three months in Beijing, most of the conferences have been on great power relations, mostly U.S.-China. We had one full day of seminar yesterday on China's relations with great powers, and therefore it's refreshing to focus on smaller countries and smaller nations on today's seminar

South Korea is regarded as one of the most successful cases of the engagement with China in the last decade. The volume of bilateral trade grew from 6.3 billion dollars in 1992 to 118 billion dollars in 2006. In terms of foreign investment, China has become the number one outbound destination for South Korea, surpassing the U.S. in 2004. As for visitors, we had 4.8 million last year compared to only 130,000 in 1992.

Listing only the positive developments does not really reflect the reality of China-South Korea relations, however. Many people talk about China-Japan relations in terms of "hot in economics but cold in politics" (*jingji re zhengzhi leng*). If I use an analogy of that, I would characterize China-South Korea relations as "hot in economics and 'strange' in politics" (*jingji re zhengzhi guai*). What do I mean by that? I mean that non-economic dimensions of the bilateral relationship have not been able to catch up with the economic dimensions. And let me elaborate on that in the few minutes that remain. If you look at public opinion surveys conducted in the last decade or so, South Koreans have had very positive views of China, often surpassing the views of the United States. But, I think some indications are beginning to emerge that South Koreans' views and perceptions of China are by no means firm or fixed.

First, some negative sentiments about China were felt in the business communities in South Korea which has been increasingly concerned about the competitiveness of China vis-à-vis South Korea in the international market. Furthermore, popular perceptions were that South Korea's reliance or dependence on Chinese trade is excessively high. The volume of Sino-South Korean trade as a percentage of South Korea's total trade was 2 percent in 1985, but almost 20 percent last year. Some people expect it to become 30 percent by 2012.

Second, many foreign policy pundits in Korea also question whether China really possesses genuine will to prevent North Korea from going nuclear. In fact, many in South Korea worry that the U.S. and China might have already found the "mood" for consensus that North Korea's nuclear arsenal had better be "managed" rather than completely dismantled. If that should happen, obviously there would be some tension between Seoul and Beijing.

Third, as many of you know, South Korea has been very concerned about the issue of the Northeast Project, which is an allegedly academic project to distort Koguryo-related history. I don't want to get into details of this since we don't have that much time. But I do want to stress that the controversy has not been resolved and I think that it is in a state of hibernation, waiting to resurface whenever the condition is ripe again. Although the two governments agreed to resolve the issue through academic channels, the reality is not that simple. I have done some interviews with people who are involved with this in Korea. And according to them, whenever South Koreans wish to convene international conferences on Koguryo, no Chinese scholars – those Seoul wishes to invite – are willing to come. And Chinese do not convene international conferences on Koguryo. Then, how can it be possible for the issue to be resolved through academic means? In the short run, it might be more convenient to do so, but in the mid to long run we're actually heading toward a source of serious collusion.

So, in conclusion, I think South Korea's relationship with China has started out as a very successful case of engagement, but in my review, the pace of China's rise with South Korea might have been too fast for both sides, depriving both Seoul and Beijing of sufficient time to figure out how to deal with each other. I think, assuming that the capabilities of the United States and China may converge sooner or later, whether or not South Korea's "favored" perception of China will eventually outlive the rise of China is anyone's best guess. So far, I think Sino-South Korea relations are symbiotic, as reflected in the comprehensive cooperative partnership between the two. And South Korea obviously prefers to remain symbiotic with China. However, given that their roles in international politics are indisputably asymmetrical, it is perhaps more up to China to determine whether their relationship can remain symbiotic rather than simply co-habitational. So I think it is high time to seriously think about setting up a system for preventive diplomacy and crisis management between South Korea and China.

RICHARD BUSH: Thank you very much Professor Chung. I think we're off to a good start. Now, for political reasons, unfortunately Brookings does not have visiting fellows from North Korea. I hope someday we do. But last year we had one of South Korea's leading experts about North Korea, Dr. Park Hyeong Jung, from the Korean Institute for National Unification. So we have asked Dr. Park to put himself in the place of a North Korean and tell us a little bit about North Korean views of China.

DR. PARK: Thank you Richard, and thank you to Tsinghua University for inviting me. My assignment is as Richard has said, to present North Korea's perception on its relations with China. And as was said, I'm not from North Korea. I am not from Pyongyang; I am from Seoul. I hope that my presentation does not present North Korea

unfavorably. I'm South Korean, and my views may be biased, but I will put on North Korean shoes and try to do my best to bring North Korea's perspective to light. I will summarize my opinion in eight points.

First, for both China and North Korea, future relations are based not on ideological or personal ties but on realistic calculations informed by strong mutual suspicion and mistrust, especially after the death of Kim Il-sung in 1994. Kim Il-sung knew that the Chinese leadership disliked his system but also that China had no alternative to support him in the end on behalf of peace and stability on the Korean peninsula.

Second, as the smaller neighbor, North Korea has been concerned about its decreasing status in China's foreign relations. North Korea has learned from experience that China could sacrifice North Korea's interests to promote its own position with regards to the United States as well as South Korea. So, in point of fact, China's position on North Korea has been strengthened because of the Bush administration's North Korea policy. After having rejected the development of U.S.-DPRK, relations in early 2001, the Bush administration encouraged Beijing to take the lead in the management of North Korea issues. Washington thereby heeded the North Korean attempt for diversification of diplomatic relations and forced Pyongyang to become nestled in Beijing's economic breast and bestowed with fatherly admonitions when not on its best behavior. China might not have been enthusiastic about this role both as the feeding and disciplinary patron for a defiant comrade.

Fourth, nevertheless for China, in some respects, North Korea can still be regarded as a political asset to be kept and taken care of concerning the United States as well as South Korea. In fact, China's influence on North Korea has played a role to domesticate South Korea's attitude to China since diplomatic normalization. The problem of how to deal with North Korea has also contributed to enhance China's position vis-à-vis the United States, weakening South Korea-U.S. relations and South Korea's "open" relations during the Bush administration. Last, but not least, North Korea's obstinance and persistence meant a reduction of American "influence" on the Korean peninsula, and may stand in concert with China's interests.

Fifth, generally, China has strengthened its relationship with North Korea whenever it sees signs of American strategic maneuvers against China in Northeast Asia. In some respect, it has been the case also during the Bush administration, which said regarding North Korea policy that all options are on the table and as the U.S. has been strengthening its alliances in Northeast Asia.

Sixth, North Korea has also been adroit and desperate to prevent its economic dependence on China from developing into political dependence. The case for South Korean resistance to North Korea is very well known. Less attention has been given to the fact that China's private business, presumably with encouragement of the Central government, suddenly increased the level of its economic engagement with North Korea since 2003 just after the outbreak of the second nuclear crisis, only to see North Korea

experiment with a nuclear device in 2006. Oddly enough, the U.S. administration has never taken issue with the increased Chinese private investment activities while hardly finding fault with South Korea. Once again oddly enough, a Korean study shows one concern in the democratic republic in South Korea, mainly that North Korea may fail to keep political and economic autonomy in the near future because of ever deepening economic dependence on China. This anxiety, no matter how well-founded or not, drives South Korean economic engagement with North Korea…it is said, if China monopolizes North Korean consumer markets, it will completely dig up North Korean mineral mines.

Seven, on the other hand, North Korea also has been famous for manipulating differences among neighboring countries to its advantage. North Korea has anxiously watched the degree of sincerity and intensity of Sino-U.S. consensus on denuclearization and the related high level dialogues between them. In the future, as in the past, North Korea would like to take advantage of any potential misunderstandings and differences of interests among the United States, China, and South Korea.

Eight, a renewed real test of North Korea's ability for manipulating differences among neighboring countries will be done in the next year. With North Korea's disablement of its nuclear facilities, which is expected to be finished by the end of this year, the prime issue would be how long North Korea could keep the reserves of its past nuclear development. While North Korea will strongly insist to extend the period of possession, China, the United States, and South Korea may not agree upon the appropriate mode and length of the final steps of denuclearization.

To make matters more complicated, a forum for establishing a common peace regime on the Korean peninsula is expected to be launched in the next year. There are some disruptive issues to be discussed in this forum which are related with Beijing's and Washington's strategic security interests in Northeast Asia. The next year may be a year of divergence among Beijing, Washington, and Seoul. Of course, North Korea would try to take advantage of this disagreement. The crucial question is whether a concerted approach can be assembled among the United States, China, and South Korea to persuade North Korea to speed up the last and most important steps of denuclearization. In case of North Korean's desperate persistence and adroit manipulation, the three countries may fail to create a concerted approach. Additionally, if there comes the misfortune of deterioration in U.S.-China relations, in the coming years, especially in the next year, China may see that a continuation of some tensions between North Korea and the United States could contribute to maintain its practical leverage with regard to the United States, North Korea, and South Korea. Thank you.

RICHARD BUSH: Thank you very much. Now we move from the Korean peninsula to Japan and to offer some observations we invite Mr. Sugawa Kiyoshi, who is a Senior Policy Advisor with the Policy Research Committee of the Democratic Party of Japan.

MR. SUGAWA: Thank you Richard. I'm very honored to be here. It is my honor to speak in front of the students of this very prestigious university. Currently I'm working

for the Japanese leading opposition party, but today I decided to show you my personal opinion because I don't want to let you sleep. Official statements are always boring, be it Japanese, Chinese, or even American.

Everybody agrees that the worst time for the Japan-Sino relationship is over. Prime Minister Koizumi resigned last fall, followed by Prime Minster Abe's visit to Beijing and Premier Wen's visit to Tokyo last April. And we had good news that yesterday that a PLA Navy destroyer visited a Japanese port for the first time in post-war history. Having said that, I have to say that nobody knows where we are going, where the Japan-Sino relationship is going. Deterioration has stopped, but where do we go from here?

First, before talking about Japan's future and the future of the Japan-China relationship, I will briefly explain Japan's new domestic situation that will influence its foreign policy toward China. In an election last July, the LDP, the long-time ruling party, and its coalition lost the majority in the Upper House of Japan's legislature. Under the Japanese political system, the opposition parties, led by the DPJ, the Democratic Party of Japan, are overridden on most of the legislation in Japan. This situation will continue at least until the next general election. But don't ask me when they will have a general election – it's a very politically sensitive matter. Then what is the implication of Japan's instability? It seemed that Prime Minister Fukuda wants to improve the relationship with China, but he's not in a strong position to make any significant compromises. Any strategic bargaining including the joint development of gas fields in the East China Sea requires compromise from both sides. Therefore, the Japan-Sino relationship will sideline in the near future.

Next, let me speculate about Japan's China strategy in the future. I would say that Japan's China strategy is currently at a crossroads. In the past, especially, during the Koizumi era, the Japanese government implicitly adopted a strategy to deal with a rising China by strengthening its alliance with the United States. One of the reasons why Prime Minister Koizumi could be so stubborn in handling the Yasukuni issue was that he believed that he could rely on the very good Japan-U.S. relationship based on the personal tie between him and President Bush. But recently there is a shadow over this strategy. A close relationship between the United States and China is the biggest worry. The present U.S.-Sino relationship is not and will never be like the U.S.-Soviet relationship of Cold War era. And that means that Japan's current strategy could only function when the U.S.-Sino relationship deteriorates and that is very unlikely. Also, recent changes in American policies towards North Korea have also posed a sense of betrayal even amongst some Japanese officials. Directly, there are three options ahead for Japan.

The first option is to stick to the current strategy; a kind of inertia. The second one is to boldly strengthen the engagement policy and try to bond the Japan-Sino relationship with the Japan-U.S. relationship. However, as long as there remains recognition that China could be a potential threat, which is natural when there are two great powers next door without real trust. Japan should prepare for the worst As a result, Japan will not want

to place its relationship with the United States in a subordinate position to its relationship with China.

The third option is to respond to a rising China with nationalism. It will invite China's reaction and the tension will be accelerated. This is a scenario that the U.S. wants to avoid and we all want to avoid. And this is the scenario the U.S. wants to avoid because the United States doesn't want to be involved in Japan's China "affliction." The good news for us is that chances of this option becoming a reality are very slim, at least under both Prime Minister Fukuda and Mr. Ozawa who is the leader of the opposition party, my party.

As a final word, I personally think Japan should try the second option. But we still have to wait and see if Japan really takes this course after it stabilizes the domestic political situation and how China will respond. I do hope China will respond productively to Japan's engagement initiative, which will make both of us responsible shareholders in this region. Thank you very much.

RICHARD BUSH: Thank you very much. Next we turn to Russia and Dr. Alexander Lukin who is the Director of the Center for East Asian and Shanghai Cooperation Organization Studies at Moscow State Institute for International Relations. He's also the author of "The Bear Watches the Dragon," an important book on Russian perceptions of China. So he's the best person we could have on the subject. Thank you.

DR. LUKIN: Well thank you for inviting me. I'm also very happy to be here and speak at this prestigious university. I spent some time in the 1980s at another university which was close to this one but pretty different, Beijing University.

Russia-Chinese relations are at a high point now; I would say it's probably at the highest point in history. There is common knowledge that the best time for Soviet-Chinese relations were in the 1950s, but I think now our relations are much better, at least in terms of equality. Let me give you an example.

In the 1950's, Soviet-Chinese relations were usually called "brotherly relations" and from the Russian point of view, brotherly relations are equal relations. But in the Chinese language, there is no single word for "brother." There are only elder brothers and younger brothers, so the translation of brotherly relations in Chinese would be the relations between an elder brother and a younger brother. This is quite questionable from the point of view of equality. I have a younger brother, so I know very well.

The official term for the current state of Russian-Chinese relations is "relationship of strategic partnership by coordination." This is a fancy term, but what does it really mean? I think it means that we have close relations, very good relations, but not an alliance. Why do we need close relations? I think that close relations between Russia and China are in the interests of both countries. Both Russia and China are two politically big countries and large enough to have their own policies and their own views on the international arena, but at the same time, they are still not powerful enough to fight the

negative tendencies that occur in international relations which they perceive as "negative," and the negative tendencies toward a uni-polar world. For such big countries, there are other countries in the world which share the same interest of building a multi-polar world. We know that Russia and China signed a declaration, a joint declaration on building a multi-polar world, which simply means that they are interested in a world where there are several centers of global power which pursue their own policies and are not subordinate to just one force.

So in practical terms this means that Russia and China coordinate their positions in the world on many international issues, beginning with voting in the UN Security Council. They also coordinate their positions on issues such as fixed budget talks, the Iraq issue, and the non-proliferation of nuclear weapons. Bilaterally, in the political sphere there aren't any disagreements between Russia and China. The water issue, which was for a long time a source of irritation in Russian-Chinese relations was completely solved by the year 2004. The water issue completely demarcated between Russia and China. This is fixed on the 2001 treaty signed by Russia and China. It's called the Treaty for Good Neighborliness, Friendship and Cooperation.

In the sphere of economics, we have some problems. Generally trade between Russia and China is growing quite fast at about 30 percent a year. In the last year it reached I think more than 33 billion dollars. This is fast growth and it's much more than before, but if we compare it with, for example, trade between China and some other countries, this is not too much. It's about 10 times less than trade volume between China and United States, actually less than trade between China and Japan, and China and South Korea. There are also some negative tendencies from the Russian point of view in trade.

For a long time, Russia has been among the few countries in the world which have a positive trade balance with China, but this is changing. According to official data, the year 2007 will be the first year in which Russia will have a negative trade balance with China. Also, according to some experts, a lot of Russian trade is actually illegal. If we compare Russian trade statistics and Chinese trade statistics, there is a difference of about 5 billion dollars. 33 billion dollars is the Chinese trade statistic and the Russian trade statistic is about 26 billion, or 28 billion. What happens is that Chinese traders declare goods at a high price on the Chinese side and lower on the Russian side, creating corruption. So we have quite a large amount of illegal trade and this illegal trade is of course 100 percent Russian imports. If we add this amount the trade imbalance will be very high.

If we come to investment, Chinese investment in Russia is about 1 billion dollars, which is not so much. It's a bit more than 1 percent of total Chinese investment. Russian investment in China is even lower than that. The problem of course is the poor investment conditions in Russia in general. Russian investment conditions are so that only big companies, mostly Western companies, can really afford investing in Russia. In China there still aren't many big companies, Chinese businesses are mostly small and medium sized enterprises. So it is quite difficult for them to invest in Russia.

But there are some big projects and investment programs in Russia. For example, there is a conglomerate of Chinese companies, of Shanghai companies, building a residential district in St. Petersburg, but this group of companies was actually created by the Chinese government, the Shanghai city government. So as we see the difference between Russian-Chinese trade and U.S.-China trade, In the case of the United States, we would say that the economics of trade supports the political relationship, but this is not the case in Russia.

[Tape change.]

DR. LUKIN: [continued]…in China some myths about both countries. For example, in Russia, many people still think that China is an underdeveloped country. Also, some people have ideas about the possibility of many Chinese immigrants coming to Russia and some people, especially in the Russian far east, believe that the Chinese government is pursuing a policy of so called "peaceful invasion" into Russia by sending groups of population. This is completely untrue, but there is such a perception. In China there are also a lot of misperceptions about Russia. So, to change this tendency, the year 2006, was declared the "Year of Russia in China," and the year 2007 was declared the "Year of China in Russia." We have about one thousand different projects and events during this period, like conferences, all kinds of meetings with delegates, negotiations, concerts, and so forth, and the statistics and opinion polls shows that this really worked.

For example, there was an opinion poll in China that was conducted before and after 2006, the Year of Russia in China, that showed that the amount, the number of Chinese people who thought that Russia was a very friendly country rose from about 25 percent to about 35 percent. Also, Russia has always been perceived as the friendliest country by the Chinese and always took the first place in every opinion poll. The second friendliest country as perceived by the Chinese is usually North Korea. In Russia we have an opinion poll and the last data I have is from August of this year. China took first place among friendly countries in Russia. Before that, it usually took 3rd or 4th place. So this is working but I think we should still do more about it, because there is still some misperception between both countries. Thank you very much.

RICHARD BUSH: Thank you very much Dr. Lukin. Next we turn to Hong Kong. Hong Kong is a special administrative region of China and its people have a special perspective on their relationship to the sovereign, and to talk about that we've invited Chris Yeung, who is editor-at-large of the South China Morning Post.

MR. YEUNG: Thank you Richard. Thanks to Brookings and Tsinghua for inviting me today to talk about Beijing-Hong Kong relations, which is, I think, not a common theme in regional conferences for obvious reasons as Richard has said. Unlike other relations between sovereign countries, Hong Kong is part of China and its relationship has been defined in what we call the Basic Law, promulgated in 1990 and implemented since 1997. The overall design of the Basic Law is really about separation, to keep a distance - a buffer between Hong Kong and the Mainland because of obvious political reasons to assure people in Hong Kong and people outside Hong Kong that after

the change of sovereignty, the systems will remain unchanged in Hong Kong. Before the handover, and perhaps in the early years after the handover, the relationship was governed I would say by the notion of separation. But now, after 10 years, I would say the catch word is "integration." It's even perhaps politically incorrect to emphasize separation because of the changes in the relations between the two places in the last ten years.

I'll illustrate the width of change with the two sets of elections in Hong Kong, one of which took place about 10 days ago—it's a local election, what we call district council election. The other one which will take place this Sunday is a Legislative Council bye-election. Results of the district council elections have come as a surprise not because the pro-Beijing Flagship Democratic Alliance for the Betterment and Progress of Hong Kong has emerged as the biggest winner in the election, but because of the extent of their victory, which can be primarily attributed to two major reasons.

One is that they are very strong in their resources, district networks, and connection resources. And the second perhaps more interesting factor is the growing popularity of the pro-Beijing party and the corresponding weakening of the democratic opposition force in Hong Kong. The LegCo bye-election which takes place this Sunday has emerged as a much tighter contest between two leading candidates. One is Anson Chan, the former chief secretary and number two in the Hong Kong government, who represents the Democrats and the other, Regina Ip, a former Secretary for Security who resigned after the July 1 rally in 2003 and who has the full support of the pro-Beijing pro-government force in Hong Kong. I think maybe just a few months ago people thought that since Anson Chan is so popular, it's clear and that she's a sure winner. But now it appears not to be the case, particularly after the district council elections. The two elections have shed light on Beijing-Hong Kong relations, and it is really about the overall winds of change in Hong Kong. Perhaps the negative effect and impact of the so-called "pro-Beijing" label has diminished. I would say, in the past two decades, the only time when Hong Kong-Beijing relations were tense, was perhaps just after the Tiananmen Square incident in 1989. But since then, in the lead up to the handover and after the handover, the overall relations have been fine.

[Tape change.]

MR. YEUNG: [continued] The indications from the elections are "really" that, before the handover, people were worried about the Communist takeover, so they would like to elect to public office and to the LegCo people who dare to say no and, in a sense, resist interference from Beijing. The feelings of Communist phobia have gradually but increasingly worn thin after the handover.

First is that overall, people agree that China has honored its promise not to interfere with domestic political issues in Hong Kong. And public perception toward the Communist authorities have dramatically improved after the handover as the country has become a stronger political and economic power. And on the other hand, Hong Kong's economy has become increasingly integrated and dependent on China's economic

development, particularly after the economic recession beginning from 1998, worsened by SARS in 2003, which led the Central government to introduce more economic support measures for Hong Kong. So we've seen now more tourists from the Mainland and more funds coming from the Mainland. All these have changed public perception towards the Mainland authorities. And now there's a growing sense of pragmatism and awareness among the people of Hong Kong of the importance of maintaining good relations with Beijing.

I cite the example of the complex mentality of Hong Kong people toward the issue of universal suffrage. Our opinion polls have shown that still a majority of people, like 55 to 60 percent, support universal suffrage in 2012. That's the next opportunity. But when they are asked if Beijing doesn't want it until 2017, there's a similar percentage even more, even a higher percentage of people who accept that as a kind of a second best and pragmatic option. So that's the overall wind of change and the perception change toward the Mainland authorities. So even though we've seen that there are points of friction on issues like universal suffrage, on issues like the democrats' relations with Beijing, many of them are still unable to return to visit the Mainland. But on the other hand we've seen the fast-paced economic and social integration across the board, and that, I would say, is what's made overall relations more dynamic and complex.

So, in the recent party plenum, I think that the party has already again emphasized the importance of using Hong Kong as a financial hub for overall Chinese development so I would say on the economic front and on the social front, the process of integration will be sped up. On the political side, there are difficult issues to be tackled and managed by both sides. It's a question of when and how universal suffrage will be held in Hong Kong. And those will remain as points of friction, but unlikely to cause fundamental change or tension in political relations between the two sides.

So in summing up, as I said earlier, there are political issues, there are potential frictions, not just perhaps on the political and economic front, but they are largely manageable. Thank you.

RICHARD BUSH: Thank you very much. Now we turn to the island of Taiwan to talk about cross-Strait relations. We invite Erich Shih, who's the Washington Bureau Chief of TVBS.

MR. SHIH: Thank you Richard. Coming to Tsinghua University, my feelings are mixed. First of all, I'm thrilled to come because of the great achievements made by this great institution and the graduates of this institution. But on the other hand, I'm also reminded about the painful history with the creation of Tsinghua University 100 years ago during the Boxer Rebellion. The lessons most of Chinese have taken away from that is that China will never be subject to the will of foreign powers, and the Chinese government will never subject itself to being in such a vulnerable position that such thing could happen. And with that in mind, I'm going to keep my comments short.

First, is in terms of cross-Strait relations. The big challenge, which is from a

regional perspective, is maintaining peace and stability and the status quo. The big challenge is from the Chinese perspective. Taiwan has always been the most important, if not the highest priority, and in light of the upcoming Olympic events in 2008, it's still the most important, but not in the highest priority. And this is complicated of course by Taiwan's political development. We have the Legislative Yuan election in January and together with it the referendum on entering the United Nations in the name of Taiwan, and secondly, we have the March presidential election. And third of all, between March and the inauguration in May will be a transition period. And lastly, one of the reasons people really pay attention to this is because of the current incumbent president of Taiwan, Mr. Chen Shui-bian, and what he might or might not do and what he does might create some kind of situation or complication for the region.

And my second comment is that, for the region, if we get through this, the big challenge, without drama, then how people would deal with the new political leadership in Taiwan and there are several things for us to watch. The first one of course is who is going to win the presidential election, Mr. Frank Hsieh or Mr. Ma Ying-jeou of the KMT. And the second thing to watch obviously is what the president elect is going to say in his inaugural speech in May. Is it a tone of reconciliation, or is it with a strong emphasis on Taiwan identity and Taiwan independence? And of course after the inauguration, we are looking at the political landscape of Taiwan and that is mainly the combination of President Ma and a KMT majority in the Legislative Yuan or a President Hsieh, also with a KMT majority in the Legislative Yuan. And of course, throw in the elements of former President Chen Shui-bian and his influence after the inauguration, and how big his influence would be in terms of Taiwan's domestic political scene and cross-Strait relations and U.S.-China-Taiwan relations as a whole.

After the inauguration and when all the dust is settled, it will be important to determine the fundamental basics of cross-Strait relations. From Taiwan's perspective, it is international space; it's still being put in a stranglehold by the Beijing authorities. This is not going to change. For example, the World Health Organization issue – it's not going to change. The fight for diplomatic recognition, civil-minded diplomacy, it is not going to change. And from Taiwan's perspective again, the new leadership is faced with a situation, that is, what difference does it make? The Taiwan people might expect that with President Hsieh or President Ma there is going to be a new era for cross-Strait relations, but is it going to happen? As I previously mentioned, some of them certainly aren't and what the people in Taiwan would want to see is measures taken by the Beijing authorities that are not only mutually beneficial but also some unilateral goodwill gestures. The things that the people of Taiwan would feel positive about are not traditionally to the Chinese advantage, for example, taking missiles away from aiming at Taiwan and also giving Taiwan more international space instead of just the Three Links and bilateral trade investment issue.

My last comment is, given all the previous elements, what's the short term and the mid term outlook for cross-Strait relations? The fundamentals are, first of all, that the disparity between the two sides will grow. China will grow at a much faster pace than Taiwan, becoming much stronger than Taiwan. And with that of course is the

marginalization of Taiwan itself and the marginalization of the Taiwan issue in the regional context, especially in the context of Sino-American relations. Also, with this trajectory we're looking at an inevitable development, which is the increasing capability of the Chinese military through its modernization and the national power as a whole that would provide the Beijing authorities with a stronger position to unilaterally change the situation in the Taiwan Strait. So my last conclusion is basically, time is on the People's Republic's side and with that I end my time.

RICHARD BUSH: Thank you very much. So we've heard presentations about views from the two Koreas, Japan, Russia, Hong Kong, and Taiwan, and now to offer some thoughts about China's views of East Asia, we invite Tsinghua University's own Chu Shulong, who was my colleague format Brookings last year.

DR. CHU: Thanks Richard, good morning. I understand that Mainland China's view about the region of East Asia has been very positive for many years, many officials and academic people even seem relaxed about the region. And the reason is because we see that East Asia has been a relatively peaceful place for years, compared to other regions in the world including the Middle East, Africa, and Eastern Europe. East Asia has been relatively peaceful with fewer disputes than it used to have. So that's a very impressive and positive impression for people who understand the region.

Second, the economic development has been good and still is the highest economic growth region in the world. Although it's not as high as it was in the years before the 1997 Asian financial crisis, it's still quite good with about five or six percent growth each year.

Third, the positive view is that China has a "normal" and good relationship with almost every country in this region including Japan, within the past 13 years. China has enjoyed positive and secure economic and political relations with the countries here. So all those factors are good, and more than ever, Chinese leaders, officials, and people have a positive understanding and view about the region.

However, the Chinese do have some concerns about East Asia. I can list about three or four of them. The first is the most serious. It's very much China's own problem. Like my colleague here presented, the forces that are pursuing Taiwan's independence are the biggest cause for concern for China. And it's soon to get more serious within the next couple of months. Related to this is the fact that the Chinese also have greater concern about the involvement or encouragement from Japan and the U.S. in regard to the Taiwanese independence movement. So it's not completely an internal issue. It has great impact on Chinese security and Chinese foreign relations with other countries.

Second, the North Korean nuclear weapons are safe. It's not a concern for China. I don't think any Chinese here in this room or anybody in Beijing or on this mainland thinks too much about North Korea nuclear weapons, nor do they fear them. Even people living in my hometown in northeast China, which shares a border with North Korea, do not have any concerns about the weapons and whether or not North Korea is going to add

to its arsenal. What we do know is that if the issue is not resolved peacefully it will have a greater impact and cause problems and troubles between North Korea and the United States, Japan, and perhaps for inter-Korean relations. That is the reason why the Chinese government has been working hard to resolve the issue peacefully through the Six-Party Talks.

The third major concern is the United States. To many Americans, the U.S. is a positive power in East Asia, but to many Chinese, the U.S. is the major source of long-term problems, especially those that are security-related. The U.S.'s arms sales to Taiwan in its so-called "security commitment" to Taiwan are the cause of fundamental issues in cross-Strait relations. U.S. relations with North Korea are always unstable, and cause tension within the region, as does the U.S.'s encouragement of Japan to play a bigger security role in Asia and the world. Whether or not the Chinese think that this is positive, it is not constructive to regional peace and security.

The last concern is Japan. Even though some aspects of Japan's relations now are normal or good, issues of history still remain. Many Chinese here see that Japan has tried to play a bigger role in regional and global security and because the memory of history and technological development will not be helpful to the region and to the world. Also, it seems the Japanese government under the Abe administration last year tried to work very hard to form a so-called "democracy alliance" of four major powers – U.S., Japan, Australia, and India – to try to conquer or balance China. This is a cause of long-term strategic tension and concern regarding the bilateral relations of China and Japan, two major powers. I think that is going to be a big issue, bigger concern in the international relations.

Finally, I should say in those concerns that I think the basic attitude or perception of China in East Asia is fundamentally positive and China would like to work hard to keep up the development of this region for the future. Thank you.

RICHARD BUSH: Thank you, that's a good point on which to end. Let's open it up to questions and comments. Anybody who has a question, why don't we start with Georgy? I think we have mics coming down. Please wait for the mic.

QUESTION: Yes, I'm Georgy Toloraya, currently a CNAPS Visiting Fellow at Brookings. Well, the presentation started with Korea so my question goes to Mr. Park and this is about the perception of the Chinese role in South Korea. What do you think the Chinese role could be in case of some turbulence, of some unexpected events in North Korea? Would China interfere, and to what extent? What's the feeling in South Korea, and maybe the Chinese participant, Mr. Chu Shulong will also comment on that?

My second question goes to Mr. Sugawa about the Japanese role in the Six-Party Talks. Well, I feel that the—it's my personal opinion that the Japanese policy on the Six-Party Talks is a hostage of a bilateral issue. Everybody has bilateral issues with North Korea. For example, Russia had the debt issue. It's a policy which undermines Japanese positions in the long run. What's your opinion on that? Thank you.

DR. PARK: I suppose China and South Korea have the common interest of seeing less turbulence in North Korea. However, what if turbulences or revolts occur? That is a speculative question. I suppose then China will try to intervene in North Korea by engaging with it economically, so as to quell the turbulence. We drew many scenarios in the mid-1990s and the Collapse Theory was the dominant perspective on North Korea. But currently, the majority view in South Korea is that North Korea will probably remain stable in the near future. As a result, we don't draw up such scenarios and there are no deep concerns about Chinese intervention in the event of turbulence in North Korea.

DR. CHU: I think that the Chinese observations are that North Korea has been relatively stable so we do not have too many concerns about the internal or economic social stability situation in North Korea. I think that is also a new perception of some American officials here during Ambassador Christopher Hill's visit to Pyongyang last year. The impression that he got here from his first-hand experience was that, compared to the East European countries in which Ambassador Hill worked for many years, the North Korean socialist Communist regime and the North Korean society as a whole, have been quite stable and we do not see something terrible happening in the future. The only thing we worry about is the nuclear issue. The Six-Party Talks will address issues and will become a big factor affecting the political relations between China and everybody else.

MR. SUGAWA: Thank you. I think it was very important for the Japanese government to emphasize the key issues of the Six-Party Talks about the past six years or so. Of course there are many issues and problems. Nuclear development is the biggest issue. But the Japanese government made it clear to the world that the key issue of the violation of human rights and sovereignty, was very critical. Having said that, I must admit that the persistence of the issue deprived some flexibility from the Japanese government, from its diplomatic position. As a result, I think it will be important for Japan to realize and persuade the domestic constituency that the other key issues could be resolved "at an exit state or at an entrance state." Thank you.

QUESTION: My question goes to Chu Shulong, and I also welcome feedback from Dr. Lukin and Dr. Bush. You stated that China is concerned about a kind of quasi-expansion of alliance between the United States, Japan, Australia, and India, but to me, that counter alliance formation is in a larger part, in response to the birth of the Shanghai Cooperation Organization. Remember just immediately after 9/11, Beijing and Moscow had another bandwagon with the U.S. in the alliance against terrorism, but since then we have ups and downs and then we have observed two formations of alliance – the Shanghai Cooperation Organization and organization by the four democratic countries. So do you see any spiral of the dynamics and what's your comment on that? Ultimately, this will depend upon your assessment or preference on how we do not like to see the continuation of the U.S. hegemony. The U.S. has undermined its hegemonic position considerably due to the quagmire in Iraq. I would also welcome comments from Dr. Lukin and Dr. Bush.

DR. CHU: Thank you, Bill. I think the Shanghai Cooperation Organization has nothing to do with Japan, nor does it concern Japan because when you look at the map, it's far away from Japan and far away from East Asia. China is big, and although it is called the Shanghai Cooperation Organization the SCO's focus is Central Asia. It came from confidence-building measures and an eventual settlement of the border issue between China and the former Soviet Union, and later between Central Asian countries and Russia. Its bilateral nature from the beginning until now, focuses on counterterrorism, separatism, and extremism in Central Asia, Western China, or southern Russia. So it has more of a sub-regional focus without any major direction about the issue, so it's basically a lever within East Asia and a means for Northeast and Southeast. It's an organization; it's not an alliance. It cannot be compared to the U.S.-Japan security alliance. Even bilateral relations between Russia and China are no longer an alliance

[Tape change.]

DR. LUKIN: Well first of all I don't think that the Shanghai Cooperation Organization was slow in reaction to 9/11. Actually, it was only officially created two to three months before that in the summer of 2001, so it was a very young organization at that time. At the same time, the declaration of the treaty within the Shanghai Cooperation Organization on fighting terrorism and fighting separatism was signed before 9/11. Before the United States began its fight against terrorism and also before the 9/11 Shanghai Cooperation Organization member states agreed on the creation of an anti-terrorism center which was later created in Kashgar. I also agree with my Chinese colleague who said that the Shanghai Cooperation Organization is not an alliance. It is definitely not its purpose to be an alliance in fighting American hegemony. Actually, this terminology and the way of thinking about somebody fighting someone reminds of the Cold War years. Times have changed significantly since then and in the Shanghai Cooperation Organization we are talking about the "Shanghai spirit." This means that this is an organization that is not fighting anybody. And it's not a military alliance because there's no treaty, or common defense or anything, but it's an organization that is trying at the regional level to create some security network. Also, issues of economic concentration are beginning to play the leading role. So I think that Japan probably shouldn't worry about the Shanghai Cooperation Organization and we are of course are welcoming Japan to at least apply for an observatory status.

RICHARD BUSH: I also think that the emergence of Kevin Rudd as Prime Minister of Australia may have an impact on the U.S.-Australia-Japan-India entente and it's no accident that he speaks Chinese and not Japanese or Hindi. We have some questions from foreigners down here, but I'm wondering if there are questions from Tsinghua people. I want to give you an opportunity. Let's take this question here and then we'll go to.

QUESTION: Thank you, Mr. Bush. I am a PhD candidate in this school and my question is about the East Asian community. Since we know that the so-called "East Asian community" has been put forward as the most acceptable agenda to 2020, my first question is, what can we expect by the year 2020 and towards which direction does it

head in? My second question is, that will this regional institution leave the U.S. on the outside, and what influence can U.S. exert, or can the U.S. impact this regional integration process? Thank you.

RICHARD BUSH: Let me answer the question. I think with regard to the United States, I personally hope that the United States will sign the ASEAN Treaty of Amity and Cooperation, which seems to be the main obstacle to the U.S. participating in the Asian community. I think we should be a part of it and not outside it. As far as what it will accomplish by 2020, that's very difficult to say. What's important in this is the process that will occur between now and then and the habits of cooperation that are created and the outcomes that are produced. One hopes that it will be successful but that is a function of how well it performs between now and then.

Why don't we take the two questions from Lu Xiaobo and Michael Nacht and get some people to answer those?

QUESTION: Thank you Richard. I'm actually at Tsinghua now so I can claim "Tsinghua."

RICHARD BUSH: I know where you come from.

QUESTION: It's a great pleasure to see friends, Sasha and everybody. Chris, I haven't seen for many years. I have many questions, but I just want to ask a very quick question to Erich because I think cross-Strait relations, as you point out, in the next few months, will be critical. I think this is a very sobering analysis you have. But I want to ask what you think is the worst case scenario, and how likely is it?

My question will turn to North Korea for a second. Mr. Sugawa—or anyone else who would like to comment—in some sense, you could claim that the region has been amazingly accommodating to what's been happening with North Korea over the last number of years. We've had a nuclear weapons development program, we've had declared nuclear weapons status, withdrawal from the NPT, missile tests over Japanese territories, nuclear weapons tests, and yet all the other issues with Hong Kong, Taiwan, China, Japan, the U.S., Six-Party Talks, Russia – the region has accommodated all that from North Korea. Obviously we're moving forward to perhaps some new developments now; a more settled view in Washington and that the North Korean strategy is to give half a loaf, give up the plutonium reprocessing facility at Yongbyon which they don't really need anymore, but keep the 10 or 12 or however many nuclear weapons they have. That becomes a realization throughout the region and the U.S. may be further embroiled in Iran or else when there's no military action taken by the U.S. in North Korea, which nobody in the region wants anyway, so—particularly for Mr. Sugawa—if that really settles in, could there be rethinking in Japan in a meaningful way about any of your options, about inertia, engagement, and nationalism. I'd like to hear your thoughts and anyone else's.

MR. SHIH: First of all thanks for the question. As for the worst case scenario, I

think we can divide it into two parts as the worst scenario for the region and the worst scenario for Taiwan as a democratic institution. For the region and for Taiwan, the worst possible scenario for Taiwan of course is that elections would not come smoothly and that there are complications and that we have issues about the legitimacy, the legality of the election of itself, and given the history of 2004 and what happened one day prior to the actual voting day, anything is possible; and from Taipei, from Taiwan's perspective, of course nothing hurts Taiwan more than all of these complications that would undermine Taiwan's accumulated experience or some people may say "achievements" for the past 10, 20 years.

Oddly I also think that the worst case scenario may prove to be the best case scenario from a regional perspective because President Chen may disagree, but like it or not his credibility both inside and outside Taiwan is pretty low and should there be any complications in Taiwan's election which leads to the continuation of the Chen administration that actually could provide a sign of relief for Beijing and for Washington simply because if someone gets elected, Mr. Hsieh or Mr. Ma there would be an issue immediately pending that is shifted UN resolution impasse in January. How that fact would be or could be interpreted and that is directly linked to who's going to the president in March and what is going to happen in between? There are many things that could happen. The story does not end in March. It ends in May.

And so if somehow President Chen manages to stay in power it actually gives Beijing and Washington more room to maneuver, in a sense that whatever President Chen decides to do—if he decides to push, because he's a well-known figure, nobody outside of Taiwan and in the international political arena would put much stock in what he says or what he does. So people can choose to ignore him. Certainly the Beijing authorities can choose to ignore him and most of the Chinese population would understand. But if you have a different President, for example, if President Hsieh happens to choose an agenda that is going full speed ahead with the continuation of the Taiwanization and Taiwan independence, then we may have a big problem, not only for the Chinese leadership but also for Washington, for Tokyo, and from the regional stability perspective. That's the short version.

MR. SUGAWA: Thank you for your very good question. I think it is true that we will face a very unpleasant reality in North Korea, since it already possesses nuclear weapons, and this unpleasantness will increase if they obtain the ability to fit nuclear warheads onto missiles. What is the implication of that?

I think that Japan on the one hand needs to deter North Korea. In that sense Japan will want to strengthen or at least maintain a credible alliance with the United States, but on the other hand diplomatically, the United States will not be the "guarantor" of Japan. It is inconceivable for the United States or other any other country to preemptively attack North Korea in order to destroy and completely relieve our worries. We have already seen a very moderate approach, so Japan should emphasize a more moderate approach diplomatically, and I think that in doing so, Japan's role in the Six-Party Talks will be very important. However, there is a dilemma for Japan, that is, because the Six-Party

Talks are mainly about the issue of North Korea, Japan's role is a bit marginal.

DR. PARK: I suppose if the United States for example creates a hasty resolution, then trust in the U.S.'s credibility would be affected very adversely and then perhaps that trust would be lost all over Northeast Asia. Secondly, the first target of such a hasty resolution for North Korea is South Korea and I think that North Korea has already started its maneuver to keep nuclear weapons and to have normal relations with South Korea. So it is very important to have a strategic dialogue among the United States, China, and South Korea, and not to hinder such development while having five party talks in Northeast Asian countries.

RICHARD BUSH: Okay, we have a woman back there.

QUESTION: Hello everybody, I am a master's candidate from this school. Thank you for all of your wonderful speeches. My question is regarding the recent development in relations between Russia and India, and that relationship has strengthened more and more, especially on military issues. What do you think of that and do you have any comments about the relationship among China, Russia, and India? Thank you.

RICHARD BUSH: Who wants to answer that?

DR. LUKIN: There are no Indians. Well, the relations between Russia, China, and India are going well on a bilateral basis. If you're asking about trilateral relations, there is such a process. It started with a "trialogue" and by now there's been several, I think three meetings on the foreign minister level and the last meeting was last month in Harbin. Also, on the sidelines of the G8 summit last year in St. Petersburg, there was a meeting between the heads of states of the three countries, where they discussed various issues including international cooperation, economic cooperation, and so on. So there is this trilateral process which was actually proposed as far as I remember by Prime Minister Primakov of the Russian Federation.

There are also other means of cooperation. For example, Russia and China are full members of the Shanghai Cooperation Organization. India is an observer and has an observer status, and on some issues there's cooperation between observers and full members. For example, now there is a so-called "energy club," the SCO energy club is in the process of being created, and the representative observers will also take part in this SCO energy club. I would say that the most problematic part of this triangle is the Chinese-India relationship. The Russian-China relationship is quite good now. Russian-Indian relations are also quite good, especially politically, however, economically they are not that developed. So the only problems they have are between India and China, but they are being discussed. Trade is growing, and also the border issues are being discussed so they are much better. There are good prospects for the relationship between the three countries.

RICHARD BUSH: Thank you very much. Alexander Vorontsov?

QUESTION: Thank you so much; I'm Alexander Vorontsov of the Russian Academy of Sciences and a former CNAPS fellow at Brookings. I enjoyed all the presentations. I have a question for Dr. Park. You mentioned that it's reasonable to create some kind of trilateral coordination between the United States, South Korea, and China in dealing with the North Korean problem. We know that the trilateral coordination exists and is recognized between the United States, Japan, and South Korea in dealing with North Korea. How many triangles are there and how will those triangles be useful? Thank you.

DR. PARK: The best solution is to find a resolution through the Six-Party Talks process, but I suppose that the most important stakeholders of North Korea's nuclear development, and the countries with the most powerful influence on North Korean development, are South Korea, the United States, and China. If these three countries can construct a common approach, then North Korea will have little room to maneuver and little opportunity to divide and survive. So it is important in dealing with the North Korean nuclear weapons development to have the United States, China, and South Korea construct a common and concerted approach. Japan and Russia can also be invited into this dialogue.

RICHARD BUSH: Okay, I'll go up there and then to Alexandre, and then over here.

QUESTION: Thank you for the opportunity. I'm also a master's student in this school. My question is for the Japanese professor. As we know, the Chinese nominal GDP will surpass Japan in the coming years. What do you think this remarkable issue will bring to the regional structure in Northeast Asia? And in general, what kind of role does the economic power plays in the regional balance and peaceful mix? Thank you.

MR. SUGAWA: Thank you very much for your question. I'm not a specialist for economy, but I think the economic front increased economic transaction, and actually plays a big role for the arrangement integration and the creation of the Asian community. However, the economic transaction doesn't help completely. I think what we are lacking in East Asia is the political will to create a community and in that sense not only the Japanese leaders but also the Chinese leaders seem to be lacking such strong will. In order to create the East Asian community, I think we need core states to create the community, and I think it should be Japan, China and maybe Korea.

QUESTION: Good morning everyone, my name is Alexandre Mansourov and I came from Hawaii. Thank you very much everyone, for excellent presentations. My question is to Richard. Yesterday, some people talked about the declining presence of the United States in the region, others suggested that the United States was extracted from the Asian Pacific region, and others talked about the neglect, whether it's strategic neglect or neglect for the purposes of political expediency. My question to you is, what is the price that the United States might have to pay if it continues to neglect the Asia Pacific region? Trade is growing, investment back and forth is growing. If anything, the region is on auto pilot. Everything seems to be doing well, so why expend political capital and focus our

attention on it? So tell me, as an American, what's the price for the U.S. as well as for the region if we continue to, at the very least, neglect the region? Thank you.

RICHARD BUSH: Thank you for the question; it's a very interesting one. I think first of all one should say that, it's not the entire United States that's neglecting the region. Chris Hill is our Assistant Secretary of State for East Asian and Pacific Affairs in the State Department and is spending all his time on one little part of East Asia - the Korean peninsula, and other parts of the State Department are very focused on the Taiwan Strait issue. I think where the "distraction" or "neglect," whatever word you want to use, is occurring is at the highest levels of the government: the Secretary of State, the Secretary of Defense, the President, and so on. And that's where it's occurring and so you don't have the President and Secretary of State showing up in the region as much and that is noted. But your question's a good one: so what?

I think one has to go back in history to get the answer to the question and I think there has been an assumption on the part of the United States ever since the Second World War, or the Korean War, or maybe after that and it's a kind of paternalistic assumption that Asians aren't mature enough to resolve their conflicts on their own, right? The Japanese and the Koreans couldn't get along. People in Taiwan and people on the Mainland couldn't get along and it's only the "big brother," the United States, that could keep them from destroying each other. Now that assumption may not be correct any more and it may be that through economic interdependence and regional institutions, that East Asians can take care of their business just fine, thank you very much, and in which case maybe we don't have to provide the security public goods that we did for decades. And that's not a bad thing. But I'm not sure the tests have been given and if it would probably be better for us if East Asian countries and people are able to manage their own affairs. It would probably be better for us to step back in a gradual way rather than in a precipitous way.

QUESTION: Thank you Richard, nice to see you again and my question also goes for you. Everybody is watching the next election in the United States. Who do you think will win the next election? If Hillary wins, will Bill still be the invisible hand? What kind of role will your Center play in terms of North Korean policy?

RICHARD BUSH: Thank you for the question. Brookings is a non-partisan think tank. I have no idea what the party registration of our scholars is and each individual scholar is allowed to take positions on policy on their own. There's no organizational position on any policy issue and you can have different scholars taking different positions. I think that there is a chance that if a Democrat won, that a number of my colleagues would go into the administration where they served before, and that's one of the purposes of think tanks, to provide talent. We have people in our think tank who have served in Republican administrations and if a Republican won, they might go back in themselves, and if a Republic one, they might take some registered Democrats. So it's a very open question. I myself have a rule to not accept or reject a job I haven't been offered and I think that's a very good rule. Let's see, we have time for maybe one more question and the gentleman over there, he's had his hand up a couple of times.

QUESTION: Thank you, hello. Hi, I'm a Fulbright researcher at the law school here at Tsinghua and I have a question for Professor Chu and Dr. Lukin. With increasing fraying of relations between the United States and Russia on issues of democracy and security issues as well, how does this impact China's relationship with Russia in terms of its international relations, or China in general, in terms of its international relations, relations with Russia, with Europe and also if you care to comment on how it may impact China domestically, politically, in terms of questions of political reform. For Dr. Lukin, if you could comment on the Russian side, how does this impact relations with China? Thank you.

DR. CHU: I do not think there are any more triangular relations between the U.S., China, and Russia. So each contact is bilateral without thinking too much about the third party. At least that is my reading of Beijing's policy – that it belongs to the U.S. and China. Chinese relations with the .U.S which are very strong now, I hope will continue., So what happens between Washington and Moscow will not affect the Chinese policy direction too much. It's their own business. Our business is to keep relations with other countries positive, and I think for the Chinese government the difference on the democracy issue is between the U.S. and Russia has nothing to do with Chinese political reform. China goes its own way, at its own speed, designed by the ruling party, by the leadership. I think the leadership has tried to get rid of any foreign influence on the Chinese political process, no matter its influence, whether it is coming from Washington or from Tokyo or from bilateral relations between the U.S. and Russia. I think that is my reading of the policy of thinking and the mentality here in Beijing, whether I support it or not is another issue.

DR. LUKIN: Well first of all, I would exaggerate the differences between Russia and the United States at this point. We in independent Russia, have had different and various experiences, for example, we had very close relations in the beginning of the 1990s but this period has ended…but there were also some worse periods. For example, let me remind you that Prime Minster Primakov turned back his plane from Moscow when he was flying to Washington when the bombing of Serbia began, so now is not the worst time especially compared to the 1990s.

As for Russian-Chinese relations, I would say that I agree with my Chinese colleague, that the state of Russian-U.S.-Chinese relations will not really impact the state of Russian-Chinese relations right now because both Russia and China are interested in bilateral relations and also both countries are very much interested in maintaining good relations with the United States. Sometimes when our diplomats discuss things among themselves, I mean Russian and Chinese diplomats, they say something like, "Have you heard what the United States… It was a very bad thing." We answer, "Yes, it was a very bad thing." They say, "Go and tell them," because you know, they are not very active in criticizing the United States directly. They know that they need economic cooperation for economic reforms and so there is an agreement that we don't like some actions.

RICHARD BUSH: Thank you very much. I think we've come to the end of our

time. In conclusion, I would like to offer thanks of various kinds. First of all, I would like to thank my fellow panelists for their outstanding presentations and their outstanding answers. I would like to thank the Brookings-Tsinghua Center and the Tsinghua School of Public Policy and Management for their wonderful hospitality and providing this venue and sponsorship for this program. I would also like to thank you the audience for your kind attention and your wonderful questions. Thank you very much. The meeting is adjourned.