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THE FUTURE OF EAST ASIA**

PANEL 3: ALTERNATIVE FUTURES FOR NORTHEAST ASIA

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THE BROOKINGS INSTITUTION
1775 Massachusetts Avenue, NW
Washington, DC
Tel: (202) 797-6000 Fax: (202) 797-2485
www.brookings.edu

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RICHARD BUSH: My name is Richard Bush. I'm the director of the Center for Northeast Asian Policy Studies. On behalf of Brookings and Strobe Talbott, I would like to reiterate our gratitude to all of our co-sponsoring organizations. I know more than anybody else the profound contribution that the Seoul Forum and *JoongAng Ilbo* and the Korean-American Association and the Korea Foundation have made to the great success of this conference. I'd particularly like to thank the invaluable efforts of the staff of the co-sponsoring organizations. I'm grateful to my own staff, and we collectively are very thankful to our Korean colleagues for all their efforts. Although I don't want to make any invidious distinctions, we particularly appreciate the great efforts of Dr. Kim Sung-han, who worked very hard on our behalf.

This panel explores the implications of all that we've been discussing earlier today -- developments on the Korean Peninsula, the evolution of the U.S.-ROK alliance, the rise of China, and the developments in U.S. foreign policy. What we're going to do this afternoon is really a speculative exercise, to look over the horizon, to think about different futures for Northeast Asia and the regional order. And we've asked some experts to think about different possibilities and to push themselves to think about different scenarios, to use their imaginations.

They are going to offer different hypotheses. They will not be necessarily giving you what they believe. I've asked them to argue a case, like a lawyer would do. So do not assume that what they say is what they believe; they're just following orders. They're doing what I told them to do. But they're doing it to stimulate discussion, to get everybody to think in the interest of intellectual inquiry and promoting the exchange of ideas. But we do have some very intelligent people arguing these cases, so I think we will have a good discussion this afternoon.

Each presenter I asked to talk for about 10 or 12 minutes only, because we are pressed for time. We're going to start with my good friend and Brookings colleague, Jing Huang. The hypothesis that he's going to argue is that the regional order that will come about sooner or later is a China-centric regional order.

Dr. Jing Huang.

JING HUANG: Thank you very much, Richard. But I just cannot resist asking two questions I did not have a chance to ask this morning about the U.S.-ROK alliance, two issues. I'll take advantage here.

Number one is what is the relationship between the U.S.-ROK alliance and the effort of reunification? For North Korea always thinks that the alliance is a formidable obstacle to reunification. So this issue, I believe, has to be addressed seriously.

The second issue is the appropriate approach of the U.S.-ROK alliance towards increasing tension or even rivalry between China and Japan. I think that is also a very important issue regarding the future of the U.S.-ROK alliance.

Now for my argument, or my lawyer's argument on the China-centered Asia. When Richard asked me to do this, I was very much puzzled because, in my view, I truly do not envision that a China-dominated Asia will emerge in the foreseeable future. That's why I asked him, what do you want me to say? And he basically walked me through it. And actually I will just repeat what he told me.

But I want to say that some of the viewpoints here, most of them, I truly believe. I do not say I don't believe it; I believe it. I think any analysis based on the assumption that China is going to become a dominant power in Asia and Asia is going to be a China-centered community is highly hypothetical, no doubt about it. By such analysis we hope, as number one, to understand the impact of China's rise, which is phenomenal. And number two, to see the strengths and weaknesses of China and the challenges China's going to face, or China is facing, on its way toward becoming a global power.

So when we talk about a China-centered or China-dominated Asia, we see three areas that I want to focus on. Number one is economy -- that's easy; number two is the political aspect; and number three is in terms of security.

We know that China's rise in terms of economic growth is achieved essentially through China's integration into a global economic system that is based on market economy and led by democracies. So China has become an integral part of this global system as a result. And I also want to say that during China's integration, Asian economic powers like Japan, Korea, Taiwan, Singapore, even, as young countries have played a very important role by providing money, technology, equipment, management skills, and markets. So as a result, a China-centered pan-Asian economy, if there will be one, is not just based on interdependence, but also based on integration. Basically, it's just one entity. And as a result, because of this, I would argue that China's further development has to be constructive to the regional prosperity -- not because China really wants to be a good superpower, but because China's further development is essentially dependent on the continuous regional prosperity.

Another condition that is more complicated is that a China-centered pan-Asian economy has to have the Chinese yuan or renminbi as the dominant currency in Asia, replacing either Japanese yen or American dollars. That would also have a profound impact. Right now, this has not become a reality, for two reasons. Reason number one is that China keeps the financial system basically closed. And number two, I do not think China has enough of a financial basis for such. But if China's economy keeps developing, then we are going to see this; that is, the Chinese currency will play a major, major role in the economic exchanges in this area.

Then what are the implications and the consequences of this? I think there are two. Number one, a China-centered pan-Asian economy will be a success. The success of such an economy will be highly dependent on the degree to which China and all of Asia integrate further into the global system.

In other words, this system will be very, very vulnerable to any changes outside the region, for two reasons. Reason number one, the entire region is highly dependent on energy and resources from outside the area. Such dependency will increase, not decrease if China becomes dominant in this area, because China is basically resource-poor. And number two is that, as I said before, China's rise is achieved through integration and also achieved through following the other Asian powers' model -- that is, an export-oriented economy which is going to attract global capital, target international markets, and the government play a major, major role in the development.

As a result, on the one hand we have the entire economy still very dependent on foreign oil. On the other hand, the entire economy is still very export-oriented. If you look at Japan, you look at Korea, you look at China, you see that all of them have the same kind of export-oriented economy. Although the Chinese market has great potential, I do not believe the Chinese market will be big enough to absorb all the products. So as a result, a China-centered pan-Asian economy will be more dependent on outside resources, will be more integrated into the global market, and be more vulnerable to any changes, outside areas.

Political area: I believe a China-dominated Asia is more likely to be divided than united -- not only because of China's undemocratic political system, which is at odds with the mainstream of international politics, but because of fundamentally different geopolitical and strategic interests among the Asian countries. China is a continental power. I believe maybe some of my colleagues will talk about that. If China becomes politically dominant, other powers, like Japan, the maritime power, and even Korea, will naturally take measures to counterbalance China, not just because of differences in the political system and the value system, but also because of this deep, deep suspicion about China's vision which has accumulated through a thousand years of history.

So as a result, we're going to have a divided Asia under China's dominance -- political or economic. And I would argue that, ironically, a divided Asia under China's dominance, or China-centered dominance, will be good news, because it will be good for Asia's stability. The reason is very simple. Division in Asia will enable other powers outside Asia to come in to play a balancing role -- powers like the United States, of course, Europe, Russia, and so on and so forth. And if history has taught us anything, it is that political stability is, more often than not, based on balance rather than dominance. Dominance doesn't give you stability; dominance gives you war. We know that first-hand already. It is a strategic balance that gives you a conditional -- difficult but conditional stability.

I would say that the most difficult area is security. This area will give us enormous challenges that will be difficult to overcome if Asia becomes China-centered.

China is a very unique power, or superpower -- if it is a superpower. That is, China does not have any military global reach. And the Chinese military, the People's Liberation Army, cannot operate effectively 200 miles outside China. And if China becomes dominant in Asia, then China will have a dilemma.

On the one hand, if the United States -- let's assume; this is a hypothetical -- if the United States withdraws from Asia, then China will have to take over responsibility for regional security. But China's been taking a free ride. The Strait of Malacca is not secured by Chinese, but by Americans. The pillars of the security in this area are the U.S.-Japan alliance and the U.S.-Korea alliance. If these two alliances disappear, China will have to take over. But if China wanted to take over, China would have to build up its military, and this kind of military build-up would trigger overall arms races among all the Asian countries, because of reasons as discussed above. So therefore, China will be in a lose-lose situation.

So to conclude my presentation, number one, a China-centered pan-Asian economy will become reality. It's very likely, I believe, because it's emerging already. Number two, a China-dominated Asia will be divided, which is good for stability in the long term. Number three, I do not believe China can take on this responsibility for security reasons. In that regard, I believe the United States presence in Asia will be long-term, not only because the United States has tremendous stakes in this area, but because the United States has played and will play an indispensable role of balancing in regard to security.

Thank you very much.

RICHARD BUSH: Thank you. Thank you for keeping to the time.

The second scenario for the future regional order is one in which the maritime countries align with each other, specifically the United States and Japan, against the continental countries. And to make that case, we're very honored to have Dr. Ha Young-Sun of Seoul National University. Dr. Ha.

HA YOUNG-SUN: Thank you, Mr. Chairman.

Before my presentation, I have two small excuses. The first one is the title of my presentation has been changed a little bit because I was recently asked to talk about maritime versus continental, but in the Asia information and transportation revolution it's very risky to apply the "continental" and "maritime" concept to East Asia. So I would rather argue the scenario of U.S.-centric versus China-centric. Actually, it has a very similar meaning to what we are trying to talk about.

RICHARD BUSH: That's fine.

HA YOUNG-SUN: Secondly, because I'm catching a cold, I have a very husky voice. I'm a bit afraid that my voice will go in the middle of my presentation.

In a very limited time, I would briefly summarize the main theme of my scenarios. It's a little bit different, a rough, imaginative scenario. It's based somewhat on the

realistic current position of the Asian powers in the region, how far we can consider the future ways in the next decade or so.

In the beginning of my argument, I gave brief statistics of what we are now having in this region. To summarize, in a word, the United States now accounts for almost 60 percent of the total GDP in East Asia; and also, in terms of military expenditure, almost 70 percent of the military expenditure in this region. In that sense, we can have a hypothesis that the U.S.-centric in East Asia might be the plausible alternative.

But I would rather argue – according to the topic I was assigned – that in the short-term perspective it is almost clear the United States will maintain the U.S.-centric position in East Asia. However, in the mid-term and long-term perspectives, it should be cautiously considered that we will face the regional order of U.S.-centric versus China-centric in East Asia, depending upon the performance of two major actors in the region. I did try to evaluate or assess the current performance of two major big powers in this region.

Let's begin with the U.S., which I will evaluate in two areas. I basically argue that the secretary of state raises essentially three circles of freedom, and the second area is the Rumsfeld military transformation effort.

The three circles of freedom, with which I might think you already are very much familiar, basically consists of the following: The first circle is an alliance of free democracies; the second one is made up of the countries that try to take a road toward free democracy; and the members of the last one are the so-called outposts of tyranny.

If you apply those three circles of freedom in East Asia, the waves originating from that concentric circle of a free democracy alliance are already spreading to Northeast Asia. Japan, which is feeling threatened by the rise of China, has made the strategic choice of quickly becoming a member of the core circle of the free democracy alliance.

The United States has yet to publicly comment on just where it places South Korea on the concentric circles of democracy and freedom. The U.S.-Korea alliance in the 20th century was the product of the Korean War and the Cold War. After the September 11 terror attack, however, the United States is pursuing a different order of alliances. Primarily the United States is looking for allies of freedom to support its global network against terrorism and weapons of mass destruction. Secondly, the United States wants a geopolitical alliance aimed at curtailing the growing power in the 21st century. It is also seeking a geo-economic alliance to maintain and strengthen the world capitalistic framework.

Let me jump over to the second circle of freedom. Regarding China in the second circle of freedom, Robert Zoellick, the U.S. deputy secretary of state, has emphasized the importance of a tightly woven network for the 21st century foreign policy, replacing the

19th century balance of power and 20th century Cold War models. He mentions that it is time to take U.S. policy beyond opening doors to China's members to enter into the international system. The U.S. needs for China to become a responsible stakeholder in the system.

Regarding North Korea in the circle, the third circle of freedom, we need to compare the significance of the phrase "axis of evil" in the first term and "outposts of tyranny" in the second term of the Bush administration. The U.S. position that you have searched for a primary solution in persuading North Korea to accept the Libyan model through the six-party talks framework remains the same. The Bush administration has considered initiating non-military sanctions if North Korea refuses to accept this solution. In the second term, it seems likely that efforts will first be made to draw North Korea away from the outposts of tyranny into the second circle through the holy words of liberty. This means that the focus of the North Korean issue shifts from the abolition of its nuclear program to the establishment of its liberty.

Based on the evaluation of the theory of three concentric circles of freedom which was originated by Secretary of State Rice, we see a basic picture of a U.S.-centric model in East Asia that we can think about at least a decade or so.

In the case of the military transformation, which is now implemented by Rumsfeld, with the help of the information revolution, the U.S. wants to form a 21st century military that can appear anywhere at any time it wants to. For that reason, the current talks about replacing U.S. troops in Korea are of a completely different nature than they were during the Korean War. It is only a matter of time before the U.S. troops in Korea are replaced by rapid deployment forces to serve the entire East Asian region.

Let me jump over to the China-centric situation in the next decade or so. The future of a U.S.-centric order in East Asia will be very much dependent upon the changing military and economic power structures in East Asia and also the attractive power of U.S. regional governance in the region. Among the major power transformations in East Asia, there is a consensus that the rise of China is the most important one. Let me just briefly make two points.

Based on the official position of China, until the end of 2020, China will mainly focus on the economic development. Naturally, it will try to maintain continued peace development, cooperation with the surrounding powers and also the developed countries, especially including the United States. However, I'm arguing that if China achieves its economic development goals by 2020, it will possibly propose great harmony for East Asia. We cannot rule out the possibility that it will replace its current cultural stance of dealing with what it can with the attitude of a predominant China that is capable of anything in Asia. For China, Asia is a space where China should lead peace development and cooperation of other members.

The views of China, which has long delayed its stance as the center of regional order throughout history, were made public by the Chinese President Hu Jintao during his address at the Korean National Assembly just before the APEC meeting.

In conclusion, I will summarize my presentation, that after being influenced by Western countries in the 19th century, Asian countries belatedly joined the modern era. However, they are still young. Compared to the old nations of Europe, the Asian countries' pulse beats strongly. It is an inappropriate dream of an Asian community in the European style. In Asia, some countries are still traditional, while others either have modernized or still maintain in the Cold War era. Some are in the post-modern period. In this complex time for East Asia, the United States will maintain a U.S.-centric order in the short-term period, yet the regional order of U.S.-centric versus China-centric will likely emerge in the mid-term and long-term perspectives.

Thank you.

RICHARD BUSH: Thank you very much, Professor Ha. We now turn to my Brookings colleague, Dr. Ivo Daalder, to talk about the scenario of the emergence of a concert of power.

IVO DAALDER: Thank you, Richard, and thanks to the organizers for inviting me to come over here. I think, though, it's unfair to have people travel this far, then give that much to eat, and then ask them to talk. But, hopefully, I will stay awake, even if some of you will not.

I may also say that I'm surprised, actually, to be here, because I know absolutely nothing about this region and I'm sure that will become pretty evident to you as I talk. But it has one advantage: I can be very convincing about my case because I have no idea whether it's right or wrong.

With that in mind, let me try to make the case for why I think we need a true concert of powers as opposed to a hegemonic form, whether Chinese or American, or a balance-of-power approach. And I take this through -- I'll make the case through a bottom-up approach by looking at what are the challenges confronting the region and how should one deal with this most effectively. I ask the question of how the fundamental challenges that Northeast Asia faces can both addressed within a regional context, but at the same time take account of the fact that there are not just regional challenges, there are global challenges that affect the region. And it's that, really, that interaction between the regional and global challenges, that a security architecture must address.

To make my case, I first will point out that my colleagues have failed and, in anticipation, will fail to make their case. The United States is today too distrusted in this region -- as, frankly, anywhere else -- and it no longer possesses the capacity. Even though the statistics point otherwise, it really doesn't have the capacity to continue a U.S.-dominated, U.S.-centric approach here. I think that the Chinese still lack the power and,

despite Jing's best efforts, I'm not convinced -- in fact, he didn't convince himself, I think -- that China, even if it is economically going to be more the leader, it will be able to be so militarily in the security sense.

The United States and China together? Good luck is all I can say to that. The differences between the two countries today and in the future, it seems to me, are going to make it very difficult to have an effective condominium--though, as I say, I may still hear something different about that.

As for a balance-of-power approach, I think that makes a lot of sense historically; the problem is that it has no effective means to deal with the global challenges that are out there. A regional balance of power within a global context is likely to fail.

So that leaves me with an approach that is more encompassing, that in fact builds on the bilateral relationships that are already out there, that encompasses the multilateral, large, and international relationships that are out there, but creates on top of that, or in-between that, a new organization that would better reflect the balance of power within the region.

So let me make that case in the following steps: first, by looking at the security challenges that this part of the world faces; second, by looking at the security architecture and the institutional response that exists, and how those institutional responses are inadequate to deal with those challenges; and third, to suggest why a concert of power is not only necessary but in fact likely to happen.

On the security challenges, we've discussed many of them, so I'll be brief, but there are a host of ones that are specific to the region. One, of course, most importantly, is the rise of China, which includes not only its growing economic, diplomatic, and military clout, but also, and what we tend to forget, the internal consequences of the rise -- the internal consequences within China with regard to the environment, with regard to what happens to labor and capital, with regard to its demand on national resources. As China grows, its impact is not just geopolitical, it is indeed global because of the demand and the change that occurs internally. So that's one challenge.

The second challenge is Korea's division, which is now more than 50 years old and still remains. If you look around the world, where is the possibility of military, serious military conflagration high? It's here, as opposed to any other part of the world -- with the exception of the third problem, Taiwan, whose status is both a challenge to Beijing -- and, frankly, to authoritarianism throughout the region.

Fourth, a particular problem is the potential nuclearization of the whole region, particularly if the DPRK's growing nuclear capacity is not halted or reversed. One of the consequences of failing to halt or reverse that program is that others may follow suit.

Fifth is Russia's uncertain course which, depending on how it shakes out, might in the next few years -- may, in fact, reemerge as a challenge to this region as well as to others.

Sixth is Japan's emergence as a "normal" country and the challenge that Japanese nationalism conceivably poses for some, if not all, of its neighbors.

And finally, I would point out the challenge of the lack of military transparency, particularly in regard to China and North Korea, which tends to feed distrust rather than build confidence.

Those are significant security challenges for any region. In fact, I don't know another region that would have that many major security challenges. But that's just the regional ones. In addition, this region lives in a wider context. It lives within what I call an age of global politics, in which politics are no longer local or even regional, but indeed global in turn. And there are security challenges that derive from that fact.

Most important are the consequences of American unilateralism, which have led to weaker international institutions and a growing distrust of Washington within the region not only among America's foes but also among its friends.

A second major challenge that confronts this region is energy and the insecurity of the consequences of future supplies, confronting growing economies with the challenge of ensuring access to a reliable and affordable supply of oil and gas.

Third is terrorism, though this is a problem perhaps more acute in Southeast Asia than in the North, but it is nevertheless a problem that is affecting and will likely affect this part of the world. Just think of what a bomb in a container exploding in New York Harbor would do to the international container trade.

Fourth, the proliferation of weapons of mass destruction. And here I'm not only talking about nuclear weapons but, I think, one of the unstudied and under-studied aspects of proliferation, which is the emergence of biotechnology and what it does to security writ large and how the advances in biotechnology are fundamentally changing some of the threatening scenarios that are out there, which is something that is not going to just affect the United States or just affect Europe it's also going to affect the entire world, including this part of the world.

Finally, infectious disease, which I believe is one of the great political, social, economic, and, ultimately, security challenges of the modern age. No matter where it emanates from, whether it is this part of the world, whether it's south of here or any other part of the world, the fact is that we live in a world in which an infectious disease arriving anywhere will have consequences everywhere.

So that's our security climate. And the question, then, becomes how are we going to have institutional structures that are effective in dealing with that? The problem that

the Northeast Asian region faces in particular is that it confronts these challenges with regional and international institutions that are weak as opposed to strong. If you compare this region to other parts of the world, whether it's Europe or Latin America or Africa, the budding international institutions that have emerged over the past decade and more are focused primarily on economic issues, and none have developed the kind of cohesion or institutionalization that characterizes organizations like the European Union or even the Organization for Security Cooperation in Europe or the OAS, the Organization for American States, or even the African Union -- all of which are institutions that have started to emerge to deal more effectively with the security challenges and economic and other challenges that confront them.

In part, the reason is that in this region, sovereignty -- defined as the right to expect others not to interfere in one's internal affairs -- still remains a very strong concept. And it is in other countries, other parts of the world, where there is a greater understanding that in fact sovereignty is becoming more porous, that because it is becoming more porous, the need for international cooperation is greater. Here, international cooperation tends to emphasize the continuing importance of sovereignty and only makes cooperation a second order of business within that construct.

But rather than emulating the regional responses we've seen in Europe -- you know, as a Europeanist, I would come here and tell you to just be like us, folks. I don't think that's going to work. The better approach, it seems to me, is to work on the institutional structures and framework that already exist, to continue building the alliance and transforming the alliance structures to strengthen the international multilateral institutions that already exist and to create one particular new organization. I'll come to that in a second.

But by building on what exists, most importantly we need to build the security alliances, we need to strengthen them, the bilateral ones that we have talked about this morning, but also the one with Japan, and transform it and make it relevant for the 21st century. We should encourage the steady evolution of the ASEAN Regional Forum, which is increasingly becoming a suitable way for all key states in this region to begin addressing the larger security needs that confront them here. And the same is true for the expansion of issues addressed by APEC. New efforts, like the East Asia Summit that will convene later this month, can also be fruitful ways to enlarge the opportunity for cooperation and dialogue among the states of the region. What these institutions do is foster norms of cooperation and provide the basis for addressing many of the security challenges through peaceful means.

However, as welcome as these international fora are, as I mentioned, they tend to be weak when it comes to dealing with the real challenges that the nations here confront. Therefore, I think it is time to create a new organization, an effective organization, which somehow sits in-between the bilateral alliances and the larger multilateral fora that address the pressing security challenges affecting the major powers. And in fact, given the many challenges that confront the region, it is desirable to encourage a formation of a new organization that would fill that gap. That organization could start out being

composed of five major powers--the United States, China, Russia, Japan, and South Korea -- and ultimately include, I think, India, Indonesia, and Australia, to form an Asian G-8. Let's start off as a G-5 and then, over time, become an Asian G-8 charged with addressing the key security challenges confronting the region, including the regional responses to the global challenges that all of these countries face.

And already, in some sense, we see an emergence of this organization, this G-5 happening with respect to North Korea. This G-5 is, in fact, the six parties minus one. But an Asian G-5, or G-8, could also begin to address in a cooperative manner the challenges posed by a rise of China, by American unilateralism, by Japan's return to normalcy, and to Russia's future course of action in Asia. Indeed, a strong organization of this kind could exact a positive influence on all these issues. It can enhance the prospect of China becoming a stakeholder in the current international system, as Bob Zoellick has argued it should; it can encourage the United States to return to the cooperative behavior internationally in a way that Strobe talked about this afternoon over lunch; it can reduce fears among Japan's neighbors about its return to normalcy; and it can prod Russia to return to a more democratic course.

Now, proposing a concert of powers is something that those who are not members are not likely to welcome. However, I think as long as this Asian G-8 exists within the construct of larger multilateral structures, as long as you maintain ASEAN and the ARF and APEC and strengthen them, it may well be the case that the countries who are not members would welcome the fact that the major powers cooperate rather than conflict with each other.

So my bottom line is there really is no alternative to creating this kind of organization. And with that, Your Honor, I rest my case.

RICHARD BUSH: Okay. Thank you very much. I'd hate to be against you in a courtroom.

Our next scenario is that of a U.S.-China condominium. And to argue that case is my old friend, Yoichi Funabashi, who is usually a columnist and chief diplomatic correspondent for the *Asahi Shimbun*. This year, we at Brookings are very fortunate to have him as a distinguished visiting scholar, and we're fortunate to have him with us here today. Yoichi.

YOICHI FUNABASHI: Thank you, Richard. I'm very much honored to be a part of this session and particularly privileged to be given this opportunity to make my presentation before the founders of the Seoul Forum.

Richard instructed me and everyone else here to perform like a lawyer to defend a case which you don't necessarily have to believe in. And it's very difficult, actually, because I abhor the idea of behaving like a lawyer, myself.

[Laughter.]

YOICHI FUNABASHI: And also, he instructed and encouraged us to stretch our imagination. That is, again, intimidating. I don't think I have such a good imagination here. But let me try.

Let me try, first, to address the likelihood of a U.S.-China "condominium" framework for an East Asian regional order. We have two superpowers working closely together on a bilateral basis and perhaps enjoying barbecues on the weekends and sharing a penthouse view in the high-rise condominium. They look out over an increasingly dynamic and prosperous East Asia.

I must first say that, admittedly, many of my remarks will be just an intellectual exercise or devil's advocate. Since I actually believe that, far from close neighbors in a condominium, the U.S. and China are likely to remain in a constant state of flux, with U.S. policy toward China being best characterized as a product of a constant tension between strategic partner and strategic competitor -- a fine balance which will be hard to predict, yet will result in a cold peace that will somehow remain relatively stable.

That said, it is clear that the U.S. and China will likely share superpower status in the coming decades. It follows, then, that they will certainly make bilateral deals, if necessary, which will affect the whole region. A prime example of this developing relationship can be seen in the six-party talks. Some say the U.S. outsourced its North Korean diplomacy to China because it was bogged down in Iraq. Others suspect China lured the United States into making a deal on Taiwan in return for their increased role in resolving the North Korean issue. Either way, the six-party talks framework has only been possible because of cooperation between the U.S. and China.

Is it possible that the evolving cooperation in the six-party talks could be a stepping stone to increased bilateral cooperation? Perhaps yes. The most likely factor that would lead to increased cooperation would be a perception of common threats. One possible common threat that could instigate increased U.S.-China cooperation would be Japan's decision to go nuclear. Of course this is not likely, given the veracity of the Hiroshima-Nagasaki legacy even today. But I would contend it is conceivable.

One of the scenarios is if the six-party talks fail and East Asia finds itself with a nuclear and perhaps unified Korea, although the U.S. may be willing to hide behind questioning Korea's nuclear capabilities in order to avoid armed conflict. Japan, in my view, would not tolerate that ambiguity and would have a strong incentive to develop its own nuclear deterrence. If North Korea should go nuclear, or a unified Korea go nuclear, it could drive Japan to explore a more hedging or even independent strategy if Japan feels that the U.S.-Japan alliance is no longer a panacea, their strategic foundation being shaken and crumbling.

Again, this is more of just an intellectual exercise more than a prediction or assessment. But it is worthwhile, nonetheless.

Although it is clear why China would see a nuclear Japan as a threat, why the U.S. would also like to prevent a nuclear Japan warrants a little more explanation. Although Washington may not view a nuclear Japan with as much apprehension as Beijing, it is clear that, despite recent developments in the U.S.-Japan relationship, Washington is bound by a complex and tragic paradox in that it wants Japan to be more active in assuring its defense, but only to a point. The U.S.-Japanese alliance is based on the current needs and opportunities presented by the current alliance structures. If Japan no longer needs, or trusts, the assurance of America's nuclear umbrella, the alliance would change and the U.S. presence in Asia would accordingly, correspondingly, and necessarily change.

A nuclear Japan, therefore, is in neither China's nor America's interests, and thus there may be times when the two would work together to deter Japan from becoming a nuclear power.

Another possible threat is the prospect of an Islamic fundamentalist Southeast Asia, particularly Indonesia, Malaysia, and Southern Thailand. The emphasis both countries are currently placing on preventing terrorism makes it clear that both countries would find ample opportunity to work together in a bilateral manner to prevent such radical fundamentalism from developing in China's underbelly, as any form of radicalism could possibly present many challenges for regional and global stability--a shared goal for both China and the U.S.

Yet another possible threat would be the preemptive emergence of an India-Russia-Japan alliance. Although this is not very likely, either, it is possible that these Class B superpowers, if you will, will pool their resources -- their industrial base, critical land mass, population, nuclear capability, energy, and sea lanes--in order to rival the U.S.-China duopoly. Although the resources of such an alliance would indeed be formidable, it would be artificial and not survive too long -- maybe as just a revisit of the tripartite alliance between Japan, Germany, and Italy in the 1930s -- as in the next 20 years, Russia will be intently focused on resolving internal turmoil; India will be intently focused on South Asia, not on East Asia; and Japan, suffers from a sense of isolation and vulnerability, and lacks resources and direction.

Another possible threat, perhaps the most likely, would be conflict over the history question in Asia, leading to regional gridlock. If Japan-South Korea relations continue deteriorating because of acrimonious history issues, and if the U.S.-Japan-South Korea trilateral cooperation collapses completely, the U.S. might have no choice but to deal with China primarily and directly in order to promote peace and security in the region. Although Sino-Japanese relations seem more strained than Japanese-Korean relations, this is nevertheless a possibility that cannot be overlooked. After securing regional peace in the six-party talks, preserving this regional peace and building a peace regime may prove to be the next critical test for China, another opportunity to demonstrate if it really does seek to become a responsible stakeholder in the post-Cold War world order.

The last possibility is actually not a threat as much as an opportunity. If Taiwan's peaceful incorporation into the mainland and the democratization of China is possible and welcomed by the whole region, including Japan and Korea, the U.S. would likely be relieved to take the condominium penthouse view instead of constantly struggling to add more floors to its high-rise in order to have a better view than does China's glowing high-rise across the street.

I have really only briefly touched on the five scenarios in which I see a U.S.-China condominium framework is possible. I want to reiterate again that, given the current situation, out of the perspectives that we have heard today, perhaps my talk has probably been the most stretched. It's important to note, though, that even if the U.S. and China decide to move in together, it will almost surely be out of necessity instead of out of shared ideology. This does not negate the possibilities of such a relationship. It does make us question just how robust and enduring it may prove.

Thank you.

RICHARD BUSH: Thank you very much.

Now we turn to my own presentation, and that is the scenario of a continuation in some way of a U.S.-centric region. That is my contribution to this joint speculative exercise.

I'll make a confession to you that, when we were planning this exercise, I didn't even suggest this scenario. It was Ambassador Han Sung-Joo who thought we should include it. He had more confidence in my country than I do, or at least he was smarter than I was and realized that this was one possible hypothesis that should be considered, and I quickly realized that he was correct.

Now, we shouldn't support this hypothesis simply because the future will be like the past; there are a lot of forces at work that could easily make the future very different from the past.

My basic approach in my presentation is, first, to challenge the underlying assumption of other scenarios. This leads me to the conclusion that the obstacles to some other new order are actually quite great and that China, Japan, and South Korea will be led by default, almost, to accept a continuation of some kind of American leadership. This may not be their preferred option, but the costs of what they prefer are too high, so they will take the status quo instead. The American leadership that they accommodate, too, may be weaker or less effective than before, but it is preferable to any other alternative.

Let us start with some kind of regional security order, as discussed by Ivo, some kind of concert of power. Now, let me say that this is actually my personal favorite. This is what I would like to happen. It reflects my American optimism or, you might say, my naiveté. I do believe that this is the unstated premise of the American approach to China

over many administrations. But I have to say that I'm cautiously pessimistic about the prospects that it will succeed.

Why do I say that? I think the answer is fairly simple. Practically speaking, I think that for this scenario to emerge, the six-party talks have to succeed and have to succeed completely. As Ivo has correctly pointed out, the six-party talks are a kind of concert of power in action. You have the G-5 as embedded in the six-party talks. They're working together to encourage North Korea to make the strategic choice to join the international community as a non-nuclear power. We hope that North Korea makes that choice and that it will be the stimulus for national unification on the Korean peninsula.

But if North Korea does not make that choice, it's hard for me, as a guest, to see how the other countries involved will gain the confidence to broaden that kind of cooperative effort into some kind of regional security mechanism for the management of the region as a whole. In particular, I think Washington will blame Beijing for the failure, Beijing will blame Washington, and so a core element of any kind of concert of power will be missing.

Now, if you ask me why the six-party talks are not going to succeed, you know that we heard Jack Pritchard give a pessimistic assessment about U.S. policy this morning. I think, because of that, one has to be skeptical about North Korea's own choices. Personally, I think it's also difficult to see how Pyongyang might believe that giving up its nuclear weapons is the best way over the long term to assure its national security.

As an added point, I would say that a regional security structure probably requires a couple of other things. It requires China, which in my analysis tends to think in balance-of-power terms, to think in other terms. Second, I think that China and Japan have to find a way to bury the past if they're going to cooperate in the present and the future. That may be true of Japan and Korea as well.

The second scenario: a continental maritime divide, or U.S.-centric versus China-centric. This has a certain logic. It has geography on its side. But there is an underlying assumption here, and that is that South Korea would end its security alliance with the United States and cast its lot with China. I should be clear, I think the United States took its alliance with the ROK for granted and we shouldn't have been surprised that tensions have emerged in the alliance. We should have started a long time ago making the case on why the alliance is relevant for the world that emerged after the end of the Cold War and a democratic South Korea and so on.

But despite whatever problems exist in the alliance, I personally believe that South Koreans are, frankly, too smart about the strategic choices that they will face to rely solely on a security partnership with China to ensure survival in a dangerous neighborhood. And so I think that South Koreans will continue to believe that the United States has a value, a hedging value, so this scenario is unlikely to develop. I think this is true whether unification occurs or not.

With respect to the U.S.-China condominium, I think that its emergence rests on a set of perceptions, all of which have to occur. I think that in the United States there has to be a broad consensus that China is a good partner in terms of interests and values and doesn't represent a long-term threat. That's one thing. The U.S. also has to believe that Japan and South Korea no longer provide any strategic value. Second, China must believe that U.S. intentions are benign. Third, there must be a broad consensus in Japan that an increasingly powerful China doesn't represent a threat. Fourth, South Korea must abandon any need to hedge against China. And fifth, Japan and South Korea must be comfortable with a sort of joint U.S.-Chinese leadership. Now, one can't rule out the emergence of each of these attitudes, but it doesn't seem likely.

Finally, with respect to a China-centric region, I'm skeptical about this for two different sets of reasons. First are what I see as some possible constraints on the continued growth of Chinese power, despite the achievements of the last 26 years and despite the increasing confidence of the leadership. Internally there are a number of problems that you know about – an inefficient state sector, the banking system, the weak social safety net, and so on. The leadership has been able to muddle through in spite of these problems, but I think they will continue to be a drag. Externally, the People's Liberation Army has made impressive strides. But as Jing Huang has suggested, to become a power with global reach would be a huge challenge. It's one thing to field a brown-water navy; it's another thing to create a blue-water navy.

I would note that China's leadership has understood-- [flip tape] --and that has been a good strategy. You know, there's a decent chance that China's leadership will continue to think that.

The second source of my skepticism about a China-centric scenario concerns the United States. What I mean by this is that whether and how far China rises depends in large measure on whether America declines and falls. I do confess to some concern here. I believe that the United States has wasted resources on an unnecessary war and we've badly squandered our moral reputation and soft power. More broadly, the United States has weakened itself through bad policies concerning government, finance, education, science, and technology. We've sacrificed the very advantage that makes us strong in the first place. And I'm not talking so much about our policies toward East Asia, which, with some exceptions, I think have been pretty sound. What I'm referring to is what the United States has done in other parts of the world, which affects what we do here. I'm referring to domestic policies that are the foundation of U.S. power.

But as bad as the situation has gotten, I'm not a pessimist, because I believe that the American system possesses within itself correcting mechanisms that, with sufficient time, will bring a reversal to failed policies. And I think there's a decent chance that such a reversal may come in the medium term. If that occurs, I would expect that, over time, you will see a restoration of American power, both hard and soft, and that in turn will be conducive to the continuation of an U.S.-centric Northeast Asia. It will make less likely the emergence of any other of the scenarios because all of the countries of East Asia will

not be so tempted to go in those directions. Their default response will be to continue to live with what they've been comfortable with.

Thank you very much.

Now we turn to questions. We have lots of questions. Let's start with Dr. Chung Jae Ho, who had a question for Huang Jing.

QUESTION: In my view, the status of the United States as a global leader, or hegemon, if you will, is not only based on the military might or economic wealth, but also, more importantly, on the soft power elements -- strong commitments to democracy, free market, human rights, and so on. But in order for a Sino-centric system to set in the region of Asia, somehow I think China has to introduce some sort of normative appeal, or cultural draw. But somehow, in your discussion, you haven't mentioned that. So I hope you can shed light on that.

JING HUANG: I think that's a very good question, because people talk about China's threat for many reasons -- the military power and so on. I think what's fundamental about China's threat is that China may have a chance to set up a different model of development, because we always believe that the American way is the way to go. What is the American way? The American way is a market economy -- capitalism -- and a democratic political system and the individual-centered value system. In this value system, one's rights are more important than collective goods and the individual is more important than community.

But if you look at the China model, it is quite different. China has a socialist market economy, and its political system, so far, the regime is not democratic at all. It seems there is very good evidence that it will last for quite a while. And its value system is even more different than the American value system. That is, communities are more important than the individual. For thousands of years it was like this. And the collective goods are much more important than individual rights. From the Han Dynasty forward, one of the Chinese values has been that one should sacrifice everything he has, including his life, for the country, unconditionally.

So if China has really become a success story, then look around -- not just in the Asia Pacific, but in the entire world. How many countries are more suitable to follow the Chinese model? I think that's a fundamental challenge. The challenge is not how strong you are and how far you go, the challenge is about who you are and what you want to be.

So I believe that, talking about the soft power of the United States and the soft power of China, I think that is a fundamental difference. I think that's where China can really present a fundamental challenge to Americans. Because this challenge is not just to economic or military or political power, it's to the fundamentals -- that is, the value system.

So I think the question is really, really a very good one.

RICHARD BUSH: We have a question from D.W. Nam concerning Northeast Asia Security Organization.

QUESTION: Thank you, Mr. Chairman.

Well, at the luncheon, we heard from Mr. Talbott. He told us that the U.S. is now moving from the bilateral to multilateral. Professor Kim this morning touched upon the idea of creating a regional cooperative body. Also, this current panel presented four scenarios. What I'm talking about is one of those scenarios, which in my opinion fits best.

We all know that the critical issue in Northeast Asia is the state-centric conflict, or over-suspicion among Northeast Asian countries and the United States. The U.S. policy toward China is characterized by what they call "conengagement"-- bifurcated policy of economic engagement and military containment. The U.S. is very suspicious about the strong role and military strength of China. China, in turn, is very concerned about U.S. policy and the alliance with Japan, even with India, against China. So this suspicion and move for military expansion is, I think, the major source of instability in Northeast Asia.

But let's look at what happened in Europe. They realized the security and peace in the area by means of NATO and OSCE. Then I happened to think, why shouldn't Northeast Asian countries begin to at least discuss institutionalizing a security cooperative scheme in Northeast Asia?

Well, fortunately, or unfortunately, we have the six-party talks, whose outlook is still uncertain. But we have a good experience of multilateral talks among Northeast Asian countries and the United States. On the basis of this experience, we may talk about creating or institutionalizing a Northeast Asia Security Organization party. Already they are discussing this idea across the Pacific Ocean. But what we need is a kind of political initiative, either from the U.S. or from Japan or from Korea, or from all three, all the countries together.

So I think this panel and the Brookings Institution give some thought to this idea and search for the possibility of creating such a security cooperative body in Northeast Asia.

I would appreciate some of you responding to my idea. I don't expect, you know, any answer, though. These are just my comments.

RICHARD BUSH: Well, it's my impression that our colleague Jack Pritchard is working on this area. Ivo, do you want to make a comment?

IVO DAALDER: Sure. I mean, I'm not sure how your Northeast Asian Security Organization differs from mine, Concert of Powers. So I agree with you. We need it. And I would, taking my lawyer hat off and, putting my analyst hat on, echo what Richard said: The very suspicions, which you mention exist among the states that would have to

form this organization in the first place, are likely to prevent the organization from emerging.

And the European example suffers from this. The reason the countries that were suspicious were able to get together is because one country took care of their security needs -- the United States. It was only because you had the United States, that basically eliminated the security dilemma for the French and the Germans, that you could have emergence first of the European Union, and then, out of a strong NATO and 30 years of Cold War, could create what was then called the Conference for Security and Cooperation in Europe.

But yes, I'm with you. I think this is a very good idea. The problem with all good ideas is how you get there from where we are.

RICHARD BUSH: Wu Xinbo had a comment?

WU XINBO: Richard, you suggested strongly in your presentation that order in Northeast Asia has been U.S.-centric and this will very likely to be the case in the future.

I guess there is something wrong here, merely depending on which perspective you take. For a maritime North Asia, like Japan and South Korea, maybe they think of this as an U.S.-centric order in this region. But from the perspective of China, North Korea, or even Russia, they don't think this is an U.S.-centric order in this region. If this is really an U.S.-centric order, then why do you have the six-party talks exclusively in Beijing? Why doesn't Washington just dictate the solution of this issue?

My opinion is that this is a more complicated situation in Northeast Asia. It is a combination of both a concert as well as a balance of power in Northeast Asia. What is the concert of power? That means that after U.S.-China normalization, and especially with the end of the Cold War, all the major powers -- China, Japan, the U.S., and Russia - - kind of cooperate to maintain stability in this region, especially on the Korean Peninsula.

What is the balance of power? You can also see a kind of balance among China, Russia, even North Korea, on the one hand, and the U.S., Japan, and South Korea, on the other hand. This kind of balance of power is not as clear as it used to be during the Cold War in Europe, when you had two triangles confronting each other in this region. That was more a kind of conflict of powers, rather than a balance of powers.

So, all in all, I think the regional order in Northeast Asia today can be best described as a combination of both a concert of power and a balance of power.

As I look into the future, there could be something new added to this equation. That is, if the six-party talks prove to be a success -- although we may have our questions about the definition of success in this case -- but anyway, if this proves to be a success, there could be greater effort made in promoting security cooperation in this region. So that would add one more dimension to the regional order in this part of the world.

That is my comment. Thank you.

RICHARD BUSH: Well, I don't really think we disagree. I actually hope you're right. As I said, that's the future I hope for. I'm just not so optimistic, because I'm not sure that the six-party talks will succeed. I hope they do, but I'm just not so sure.

Dr. Kim Sung-han.

QUESTION: Thank you.

My first question goes to Jing Huang. Previously, Ivo Daalder proposed a so-called Asian G-8 idea. I don't ask you to respond to that, but I just want to know what you think about the Chinese government's response to that kind of idea, G-5 plus 3, or G-8 idea in this region.

And my second question is directed to Yoichi Funabashi. You made a variety of comments about the U.S.-China condominium, but if you have to choose one, between the U.S.-China condominium on the one hand and the U.S.-Japan condominium on the other, which do you think will provide stability to the whole region?

Thank you.

JING HUANG: I very much agree with Ivo that a G-8 is a good idea and I believe that China could work on it. But the problem, also like he said, is how to pull them together in the first place. We know that, for security organizations or security institutions, history teaches us something, that we need a common enemy or a common threat. Without a common enemy and a common threat, people are each other's enemy, and if you are each other's enemy, you don't have a chance to create a security organization.

But having said all of that, if a G-5 has to be established, I think that three conditions are needed. From my perspective, number one is the attitude toward the United States, I mean, how you look at America's presence in Asia. I believe that if you look very carefully at Chinese leaders' remarks about this, I think it is clear that China would welcome America's presence in Asia on three conditions.

Number one, if you read between the lines, that an American presence in Asia must be constructive, which means it cannot complain about China. Number two, it must be inclusive. That is, Americans cannot form a kind of alliance within an alliance, or collusion within collusion against China. Everything must be inclusive. China must be included. And number three, it must be cooperative, which means that not only China will follow the established rules of the game, but China will have a right to participate in rulemaking. If that's the case, then America's presence to the Chinese will be welcome.

If the two big guys, the U.S. and China, are positive, based on what they see in common for the G-8 or G-5, that is the first step. The second step, of course, will have to solve this issue; that is, Sino-Japan relations. Sino-Japan relations on the surface are this Dokdo issue, but if you look deeper, it is this: that China's rise has dramatically and fundamentally changed the strategic balance in the Far East, in the Asia Pacific.

And Japan's not in a very desirable or comfortable position facing or adjusting to this change. Basically, what the Koizumi administration is trying to do -- I discussed this with my good friend Yoichi -- involves two approaches. Approach number one is to reinforce the U.S.-Japan alliance. But to do that, Japan has to suffer more, to become more dependent on the Americans. In the long term, they may not want to do that. And choice number two is to push for normal statehood, in which Japan will have an independent political role in international affairs, independent diplomacy, and eventually an independent defense. But to do that, Japan has to improve its relations with the Asian countries, number one; number two, to overcome America's resistance. So it seems that by both approaches, Koizumi's not doing very well. So if we cannot solve this issue of Japan's position, the changed economic and political situation, then this cannot be achieved.

And number three, of course, is the North and South Korean issue. It's not just the nuclear issue; it's also the internal reunification issue.

If the three issues cannot be solved, I would say that a regional security organization or institution would be very difficult to establish. Even if we establish it, it would be very difficult to maintain.

RICHARD BUSH: Ivo?

IVO DAALDER: It seems that puts the cart before the horse. That is to say, if we solve all the regional security problems, then we can have an institution to solve the regional security problems.

[Laughter.]

IVO DAALDER: And that doesn't get you there. I mean, I understand that it's difficult to get you from A to B, but I think, Jing, the way you've defined it is let's solve the three fundamental problems that beset this region and then we can have the security organization to solve the three fundamental problems in this region.

So it needs a little bit of innovation here. That is, I think the fact that you have the six-party talks, whether they fail or succeed, does give an opening for smart diplomacy to say shouldn't we, as the five countries who are now dealing with this one issue -- the nuclear issue in North Korea -- start talking about other issues? That in fact the way you deal with Japan's fundamental problem of its emergence as an independent actor can only be resolved within a wider regional context? That Japan will never be able to reassure its neighbors unless it has a structure in which it can reassure its neighbors.

That China will never be able to reassure the United States and others unless it is a structure within which it can reassure its neighbors.

I think if there is slightly more innovative diplomacy, particularly on the part of China and on the part of the United States, saying, this is something we need to work together, not in a condominium sense but in a collective security sense, we may be able to set up the structures that begin to address the fundamental problems that cannot be solved without those countries working together.

JING HUANG: Just one sentence. I agree. But what I'm trying to say is that before having G-8 or G-5, maybe we should work harder on trilateral or bilateral relations to solve some issues. And then, as the ball begins to roll, we begin to promote more people into it. But it has to be started from bilateral and trilateral relations first, before going to G-5/G-8. That's my point.

RICHARD BUSH: Okay. Yoichi?

YOICHI FUNABASHI: Yes, thank you.

I think it depends on what kind of power each, either China or Japan, will develop or evolve into, one or two decades in the future. If Japan will remain basically a civilian power within the perimeter which they have established in the past half-century, basically maintaining that U.S.-Japan alliance, in a sort of combination of U.S. offensive power with Japan's defensive power, I think the U.S.-Japan condominium would provide much better prospects for the stabilizing effect on the region.

However, if China will somehow evolve into a democratic society in the future -- you cannot rule out the possibility -- then I think that perhaps the U.S.-China condominium would provide us a much better prospect. But if it's short of that, then I think a U.S.-China condominium would be seen as a sort of marriage of convenience and particularly, you know, a sort of *realpolitik* expression in the crudest form, if not starring Hitler. And the U.S. certainly will find its power being compromised and undercut by this deal and I think the U.S. will hurt itself.

RICHARD BUSH: John Barry Ketch had a question?

QUESTION: I want to argue the case that perhaps the region doesn't lend itself to institutionalization as much as a process, in the sense that you have a series of cross-cutting bilateral relationships, of which only one of them is really chilly at the moment, and that's China-Japan. And only one really has the potential for conflict over Taiwan -- the U.S. and China. But if you compare that to a century ago, where you had successive Sino-Japanese and Russo-Japanese wars, and the U.S.-Japanese war, and the Soviet-American confrontation, and the U.S.-China war in Korea, we're making progress. But let's not jump ahead to a -- I don't want to say pie in the sky, but it just seems to me that we haven't yet gotten through a period of intensive bilateral relationships that change.

In terms of how Korea navigates through this thicket, I would argue that Korea's trying to forge a new relationship with historical adversaries, principally the continental powers, and is using the Iraq-U.S. relationship as an insurance policy against a threat that probably isn't going to materialize.

Anybody who wants to respond to that vision, I would be grateful.

RICHARD BUSH: Anybody?

JING HUANG: I'm not really sure I got your question, but I'll try. I believe the relationship between China and Japan has several problems.

One problem is that both countries' leadership has been hijacked by nationalistic sentiment in their countries. Chinese leaders, of course, created the rise in the tide of nationalism, and on the other hand they just cannot make any rational decisions in terms of their relationship with Japan or, to a certain degree, with Taiwan. And Koizumi made the same mistake. This is first. Japan and the Chinese would look at this nationalism issue as though they'll marry each other; they'd look at it as marrying, let's say, the other side.

And the second problem is that, I believe, strategically each country believes that if it can manage a good relationship with the United States of America, the other side can handle it. In other words, they take the other side for granted on whether they can handle the big guy, the United States of America. So as a result, both Japanese and Chinese go to Washington, D.C., ask them for help, but do not see each other really as independent players in the region. And that's the second problem.

The third problem I would blame China, in that I'm Chinese. The previous leadership, President Jiang Zemin, made a strategic mistake, that is, to link, to set up a linkage between Koizumi's visit and high-level communications. And because of that, after 2001, China and Japan do not have any high-level communications. Can you imagine that, how damaging that could be?

So I believe that, to solve this problem -- of course, it's a great problem -- is very difficult, at least on two sides. Both Japanese and Chinese can do three things. Number one, to take each other seriously as independent players in the region, not as each other's ally or threat. And number two is to find some way to depoliticize the historical issues. Both Chinese and Japanese have to find a way to do that. Number three, to build up some mechanism or institution; in other words, to institutionalize communications between the two leaders of the countries.

If you look at Sino-Japan relations, most of the relations build upon the personal ties in the previous generations of leaders. When Deng Xiaoping died, or passed away, the new leadership, Hu Jintao, and Jiang Zemin simply did not have any personal connections with the new-generation leaders in Japan. So the entire system of

communication collapsed. Therefore, they really need to institutionalize communications and start from there.

I believe that both Japanese leaders and Chinese leaders are smart enough to say that the two countries have a lot to share, have common interests. The problem is that they do not believe the other side will make a sincere and genuine effort to solve the problem. They are suspicious of each other, uncertain about each other. That's a problem. Each side does not want to be fooled by the other side, does not want to be deceived.

So I say communication will at least begin to build up the trust and mutual confidence that is necessary for eventually solving this problem. I agree it is a major, major issue in terms of Asian community.

RICHARD BUSH: I agree with your basic analysis of the approach that the Republic of Korea is taking. This creates a certain amount of anxiety in the United States. But I think we should have confidence that it's going to work out okay.

Cho Yun-jo from the Ministry of National Defense.

QUESTION: This question goes out to you, Dr. Bush. What are your views on the prospects of the ROK playing an effective balancing role in Northeast Asia, or what do you think are the conditions in which this scenario could emerge?

RICHARD BUSH: Well, I guess I really would like to know more about what this concept means. If it means the Republic of Korea plays a constructive, diplomatic role to try and help the various parties in the region reduce misunderstanding and solve problems, I think that's a great idea. I think South Korea's suggestion concerning electric power for North Korea was quite constructive and could make a major contribution to resolving the North Korean nuclear problem. If it's something much broader than that, you know, it's difficult for me to answer. But I'm sure that as time goes on we'll have a better idea of what this concept means.

Erich Shih had a question?

QUESTION: This is sort of a question or line of thought that focuses on the immediate short term -- arguably highly implementable and requires almost nothing but the determinations of the political leaders in China, Japan, and the United States, which is: In order to solve all the problems the panelists have indicated, is it possible, or will the United States and Japan be willing, to invite the People's Republic -- and, by the same token, will the People's Republic extend their wishes -- to be included as part of a 2+2 dialogue and make it 2+2+2, and that way hold both Japanese and U.S. governments responsible for helping make China a responsible member of international society, and also holding the Chinese responsible to they claim that they want to be a responsible party?

Thank you.

RICHARD BUSH: Yoichi, do you have a comment on that?

YOICHI FUNABASHI: I think it's a laudable idea and I wish that it could be realized. I rather doubt at this point that it's realistic to expect that 2+2+2 will emerge. I think the Japanese side may be wary of undermining that quality and intensity of the U.S.-Japan alliance if they would invite Chinese counterparts to join at this point.

I think perhaps a more realistic approach would be for some top-level policy planners or vice minister level—a Zoellick, Dai Bingguo, Shiozaki level -- to get together for policy coordination discussions. Regardless of bilateral tensions in trilateral relationships, you should not counsel that ongoing policy discussion process if and when some issues would erupt over, say, history issues -- Koizumi's Yasukuni Shrine visits or those kind of things.

So that may be perhaps feasible. But on the more formal structure question, perhaps we should not be too ambitious.

RICHARD BUSH: I think that that idea is a very good one and is long overdue. I guess I would not support making the 2+2 a 2+2+2. The 2+2 is really dedicated to alliance management and serves a very important purpose in that regard. I really can't see Tokyo and Washington transforming it into something very different. I think what is really missing is political leaders in Japan and China talking to each other. I think it's unfortunate that that has been a casualty of the Yasukuni issue. I understand why it's taken place, but I think that this region is a little more dangerous because of that.

We have run out of time. We have a few questions that, unfortunately, we have not gotten to. There's one that can be disposed of very quickly, and that's from Lee Sang-Seol, a member of the Korean-American Association. I'll just read it: "Mr. Bush, are you in any way related to George Bush, the president of the United States?"

[Laughter.]

RICHARD BUSH: I can say that, although at the Brookings Institution we do have Republicans as senior fellows, we do have a reputation as being a little bit left of center. So for a member of the Bush family to be at Brookings would be a little unusual, and I'm not a member of George Bush's family.

IVO DAALDER: They have no idea what they're missing.

RICHARD BUSH: I am from Texas, actually.

IVO DAALDER: Unfortunately, Bush's family is not from Texas.

RICHARD BUSH: That's true. They came lately.

So I think we've had a very lively discussion. I would like to thank each of the panelists for putting up with my demands on them and following my orders. And I would like to thank the audience for their really good questions. And as one of the co-sponsors of this conference, I would like, again, to thank all my colleagues who were very helpful, including the really outstanding staff from the Korean co-sponsoring organizations. We couldn't have done it without you.

Thank you all.

[Applause.]