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**CHINA'S RE-EMERGENCE AS A
GREAT POWER AND ITS ROLE IN
REGIONAL SECURITY**

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PROCEEDINGS

RICHARD BUSH: Good afternoon, ladies and gentlemen. Thank you for coming. My name is Richard Bush. I'm the director of the Center for East Asia Policy Studies here at Brookings. It's my pleasure to welcome you all here today.

This is a bitter-sweet moment for us in the center because my three colleagues who have been with us for the last four months are about to leave to go home. We've enjoyed having them with us. They've been an excellent group and I think they've worked very hard on their projects. But we're very pleased to have this opportunity for them to present the findings for the projects that each of them has worked on. And, so that's the structure of today's event. Each of them will take a few minutes to present their findings. We'll have a little bit of discussion amongst us and then we'll throw it open to the audience.

So our first presenter is Zhenming Zhong. He is an associate professor at Tongji University in the School of Political Science and International Relations. And his focus is on North Korea and the United States and China.

ZHENMING ZHONG: Thank you Richard for your kind introduction. This is my great pleasure and an honor to be here. I know most of our audience here might be interested in hearing about disputed issues about the recent tensions in East Asia, especially those disputed issues like Diaoyu/Senkaku Islands and ADIZ. However, what I am talking about today is not centered on disputed issues, but on how to establish an analysis framework to explore some critical security challenges in East Asia, especially those happening in the Korean Peninsula.

In the following ten minutes, I would like to have a brief introduction on hypothesis of security contributions I developed in one of my research papers, and I tried to use this hypothesis to analyze the North Korea nuclear issue. After that, I will be happy to have further discussions with my colleagues and finally take some questions.

In the discussion in the Q&A sections, I would touch upon the East China issues, including the disputes over the Senkaku Islands between China and Japan. I define security competition as phenomenal. When states have competing visions of security objectives and pursue different and, at least, partially contradictory approaches to realize them. Security competition lies somewhere between security cooperation and the security dilemma. Different approaches by key stakeholders to the North Korean nuclear issue are a manifestation of the security contribution, among some of them, especially the two Koreas, the United States, and China.

First, these major players have competing visions of security objectives, including regional peace, state stability, alliance relationships, security assurance, unification, and denuclearization. Some objectives are overlapping, while others might be competing. For example, China, the United States, and South Korea, each would be happy to see North Korea's abandonment of nuclear weapons program. But North Korea has long been pursuing that capability.

Second, for some countries, the pursuit of some objectives might be contradictory to their pursuit of other objectives. For example, the United States and the South Korea tend to increase military deployment and strengthen alliance relationship in response to DPRK's aggressive actions, which in turn makes North Korea take even tougher stances on the pursuit of nuclear capabilities. And as a result, frustrating the effort of denuclearization. So, these players tend to have different hierarchies of preferences.

China prioritized regional stability, finding diplomatic and peaceful solution, denuclearization and maintaining its traditional bilateral relationship with North Korea. The United States wants denuclearization with or without stability, and either through regime collapse or multilateral diplomacy.

South Korea prioritizes denuclearization, stability, and the unification. In addition, the pursuit and priority of its securities objectives and interests might be changing under the circumstance of the transformation of the security environment domestically, regionally, or internationally. Fourth, they tend to pursue different approaches to realize these objectives, including economical sanctions, military deployment -- military exercise has been the route and response way for the United States and South Korea, while China tended to call for all parties concerned to taking self-restrained actions to prevent that tension from deteriorating. China in the past has hesitated to implement comprehensive sanctions for fear of bringing about the issues of refugees, defectors, and social disruptors in North Korea.

Fifth, misperception and miscalculations among major players; we add a few to the security competition, and significantly contribute to the debt log in the nuclear crisis. In many cases, both North Korea and the United States have essentially or misrepresented their spot. The other side's --- post to it. China, in many cases, have been reluctant to take a hard-line response against the north partly because China worries that the U.S. might be taking advantage of the nuclear crisis to strengthen U.S.-led alliance and increase military deployment in East Asia, and unilaterally reach out to --- and China has also felt that the U.S. would renounce its non-proliferation commitment and unilaterally reach out to North Korea. The example is what Clinton and Junior Bush did to India after India went nuclear. Given the fact that the U.S. is unfolding its advancing strategy, China would disappoint if North Korea becomes the next Burma when the U.S. defects.

Sixth, for these major players, security completion in other areas like those in Taiwan, East China, or South China Sea disputes would affect our perspective on the interests and the object we've seen addressing North Korea nuclear issues. For example, the United States and the China's hedging toward each other would land North Korea leverage to manipulate and even hijack the two major powers to serve Pyongyang's narrow interests.

If we explore the previous nuclear crisis, we would find that major players did face a series of contradictions as indicated in the hypothesis for security competition, earlier ways to address the nuclear crisis. However, the past experience also told us that it is possible for all these key players to cease competitive ways as to reach security competition and avoid transformation from security completion to security dilemmas.

In achieving the goal of the denuclearization, first of all, it is imperative for the key players in the nuclear crisis to build trust in perceived security objectives so as to avoid misperceptions and suspicions. Secondary, a combination of catalysts and sticks would be conducive to induce North Korea to accept denuclearization after its national calculation of costs and benefits.

Further, a stable and coordinated moderation of security competition would be helpful in persuading Pyongyang to accept the new denuclearization. And firstly, it is practical for the key players in the nuclear issue to return to six-party talks and the September 19th agreement in 2005 as a new starting point of the negotiations.

Finally, it is necessary for the key players in the nuclear crisis, especially the United States and China, to initiate discussions on how to cooperate and respond to some potentially unexpected scenarios, so that those scenarios would not bring about more of those consequences.

DR. BUSH: Thank you very much. Our next speaker is Jaeho Hwang. He's the Dean of the Division of International Studies at the Hankuk University of Foreign Studies. His presentation will stay on the Korean Peninsula, but look at South Korea's relations with China. Jaeho?

JAEHO HWANG: Thank you, Richard. Recently, with Japan's right to collective self-defense, China's declaration of a new ADIZ, and North Korea's number 2 Jang Song Taek's sudden execution, the tensions in the region is more heightened before, and Korea is directly or indirectly related to these instances. Especially the brutality of North Korea's execution of Jang Song Taek has aggravated instability on the Korean Peninsula. Needless to say, the preparation with United States as an alliance is extremely important. At the same time cooperation with China, the strategic cooperative partner, is also very important.

With President Park's successful state visit to China last June, it was concluded, Korea-China relations has very much improved. However, with recent declaration of China's ADIZ, it has been questioned. The trust between China and Korea has not fully established. Therefore, what kind of relations do Korea and China have each other if there were difficulty with Korea-China relations during the Lee Myung-bak period? Are we confident Korea-China relations during the Park Geun-hye government will be different?

The development of Korea-China relations will have a major impact in prevention and reduction of crisis from North Korea as well as other challenges facing Korea and China. Even at the time of difficulty between two countries, generally healthier relationships will allow for better management. If this type of cooperation is possible, the relationship will greatly contribute to peace and stability in Northeast Asia.

The relationship between Korea and China has elevated every five years since the diplomatic relations in 1992 and was elevated to a strategic cooperative partnership in 2008. The meaning of the partnership is mutual trust and mutual cooperation from economy, society, culture, politics, and security at the bilateral, regional and global levels. It can be defined as maintenance of stable, long-term cooperation among partnership countries.

In order to be that kind of a partner, the countries must be able to maintain the relationship at the time of conflict. Therefore, the main point here is both countries must be able to cooperate on security issues. However, two countries have faced very cold reality despite the continued declaration of strategic cooperative partnership.

In 2010, two serious instances such as the sinking of the naval ship Cheonan and the shelling of Yeonpyeong Island clearly showed a so-called friendship between Korea and China has been more rhetoric rather than real. Maybe they are just good trading partners rather than true friends. They are just economic cooperative partnership rather than a strategic cooperative partnership. However, once an awkward relationship has considerably changed since President Park Geun-hye won the presidential election last year December. And last June this year, President Park had an official state visit to China. It was a trip of heart and trust, *shimshin jiryuh* in Korean and *xin xin zhi lu* in Chinese.

President Park's visit to China has strengthened the partnership in the name of enrichment of strategic cooperative partnership. Then, apart from this personal mutual respect and fellowship, why South Korea agreed for the enriched partnership? In self-reflection on the past five years of Korea's China policy, Korea realized Korea's disappointment and anger at China wasn't useful. No matter how much South Korea criticized, it was difficult to change China's North Korea policy and gain the support to South Korea. And South Korea

further concluded that Korea must approach China more rationally rather than emotionally. Based on this, Park government's future China policy can be expected in the three directions; first, the attainment of China support for the Korean Peninsula trust-building process.

The trust-building process is just as its name; process, and cannot be achieved overnight. It mustn't be rushed and it must act open justification. It must act what Korea can do, and it mustn't do what Korea cannot do. It is not about changing the other. And action shouldn't be easily carried out because of material economic interest. South Korea should show and persuade China the meaning, the content and the vision of the trust-building process so that gradually China will support.

Second, Korea will progress the Korea-China trust-building process. There is a famous Chinese saying. Friendship, or (inaudible), which means very close relationship. Both countries' leaders have common ground, life value of trust. In order to develop such a relationship, it is necessary to build the trust process between Korea and China, at the same time, building the Korean Peninsula trust process between North and South Korea.

And third, South Korea will work very hard to establish a new model of Korea-China relationship, *xin xing han zhong guanxi* as learning from new modern, major power relationship. In the future, I think China will build a new relationship of either neighboring countries, *xin xing zhou bian guanxi* --- in this, the representative case for China's new neighbor policy can be Korea-China relations. A new model of Korea-China relations could be the basic framework for the future Korea-China relations based on mutual respect, mutual benefit, and peaceful coexistence agreed during President Park's visit to China.

So how can we build a new model of Korea-China relations? Assuming from a so-called strategic cooperative partnership, I can see the four levels of strategic cooperations. First, both countries can establish a cooperative diplomatic relationship for safer environment. For peace and stability in Northeast Asia, collaboration can be achieved for a safer Korean Peninsula.

Second, both countries can establish cooperative economic relationship for more developed economic environment. Now we can predict over the next few years \$300 billion U.S. of trade will occur between two countries through the Trade Investment Corporation and signing FTA, a win-win economic situation can be possible.

Third, both countries can establish a cooperative security relationship for more improved security environment. Both countries can lead human security against non-state and non-military factors, such as the illegal immigration, natural disaster, et cetera.

Fourth, both countries can establish a cooperative cultural relationship for more common -- for more improved cultural environment. Through the strengthening of ties in humanities as a valuable common denominator, can be expanded and we can ignite the progress in political and economic security.

Last October, President Park met President Xi Jinping at the APEC Summit and quoted a poet, a very famous poet, Wang Zhihuan of the Tang Dynasty, stating that, in order to see a thousand-mile view, we must go up another floor, indicating both countries have elevated another level. However, there is a possibility both countries will not be able to go up, rather just drop. If the heart of trust is not properly delivered to each other, the heart will break and the trust will become mistrust. This will bring the worst outcome to both countries, making the next four years very painful.

I truly hope President Xi Jinping's visit to Korea next year will be another talk of heart and trust so to change the unhappy history of Korean Peninsula into a happy history of Korean Peninsula. Thank you very much.

DR. BUSH: Thank you very much, Jaeho. I'll give you some advance warning -- the two of you -- that after Jun's presentation, I'm going to ask each of you about the impact of Jang Song Taek's purge and execution on --- Zhenming, for the security competition in Northeast Asia and for you, for South Korea-China relations. So you have some time to think about it.

So now we will turn to my colleague Jun Osawa, or Osawa Jun. He's the Senior Research Fellow at the Institute for International Policy Studies in Tokyo, which was set up a long time ago by a distinguished Japanese statesman Prime Minister Nakasone. Jun?

JUN OSAWA: Thank you Richard for your kind introduction of me. It is my great pleasure to have been given a chance to speak in front of you. Thank you so much for joining us today.

I'll be speaking on U.S.-China great rivalry in maritime arena and also touching upon a little bit about the China-Japan relations based on my research and working paper which coming up in the next spring on the website of the Brookings. Today each of us has only 10 minutes or so, so I want to mention a few key points about my research work here in Brookings.

Taking a long-range view of history in 11 of 15 cases of rise of emerging powers, confrontation and war broke out between the emerging and the established powers, the rivalry between emerging and established power with upsetting the previous stable power in the region results in a struggle for supremacy. So the big question is, will this great rivalry between rising power and ruling power in the world history be applicable to the U.S. and China

relations?

Sometimes in history, one-sided misperception about the intention of the other makes things seriously worse, consequently leading to war as in the case of the Munich Agreement in 1938. The rivalry come not only from a realistic view of the international relation theory or what structure realists thought, but also a lot more from misperceptions about the intention of others caused by some incident, such as the (inaudible) case or some Chinese fishery boat captain jumped into the Japanese coastguard ships. So then, action and reaction between China and the U.S. allies in a wide variety of things from maritime arena to cyber domains, in which the both of the great powers interact.

So what kinds of incident or factors or inference on these misperceptions and reaction in policies and strategies, and how to avoid a negative spiral of misperceptions and wrong assessment of the intention of other side? These are our serious questions at this moment.

As its economic and the military power increase, China has begun to expand its periphery outward into the ocean to protect the prosperous industrial areas, such as Shanghai along the East coast of China. With a merging core interest preserving strategy or maritime post-strategy, both of which intent purely to ensure its national security, I think. China is in the way of setting up buffer zones on its coastal lines.

As you know, the Air Defense Identification Zone that China introduced on November 23rd is one of the types to creating these buffer zones. I have put this buffer zone, named the “Great Wall in the Sky and in the Sea.” So to protect the South China Sea and the East China Sea from incursion by the U.S. military in times of emergency, if China would take a buffer zone securement strategy, widely-known among Western experts as anti-access area denial strategy, struggle over coastal and maritime areas will land that China seapower meets the U.S. will be inevitable in the future.

So in this Chinese strategy, what has changed and what has not changed in China's foreign policy and activities? And when China changed the strategy I mentioned. And what has changed --- three points as follows. First, emphasizing co-interest. Second, terms of maritime interest or maritime power. Third, the activities of PLA Navy and China's maritime main host organization in both East China Sea and South China Sea.

The first point. Since around late 2008, Chinese officials and scholars have cited core interests, the concept that some things are never negotiable by their very nature. And my guess, when Carnegie, next to the Brookings, analyzed the frequency of the *People's Daily* article with deference to this co-interest, and concluded that the frequency mentioned of China's core interest notably jumped from 95 articles in 2008 to 260 times in 2009.

The second point, the use of new terms in maritime interest. Since around 2010, Chinese officials start to use the new term. The frequency of mention of China's maritime interest in the *China Daily*, notably jumped from 30 articles in 2010 to 58 in 2011, and 100 times in the last year.

The third point, along with the usage of the core interest concept, the activities of the PLA Navy and China's maritime main host organization have increased and expanded in both East and South China Sea. Now for example in 2009, Chinese vessels intercepted the U.S. Navy's *Impeccable* and its sister ship, the *Victorious* in March and May 2009. And the number of frequency that the PLA Navy fleet have passed the five-island chain --- that are from the southern part of Japan's Kyushu, Okinawa, Ryukyu, and Takeshima Islands with Taiwan, including the Philippines --- the PLA Navy have passed these five-island chains to the Pacific has been increasing, 2 times in 2008 and 2009, 4 times in 2010, and 5 times in 2011, and 11 times in 2012. And this year during the past 8 months --- so, same 11 times they passed these five-island chain.

On the other hand, China has never changed, emphasizing its peaceful rise. That point never changes, until now. So then, what kind of reaction and strategy changes have happened in the United States and its ally, Japan? I will talk about Japan first.

In response to the Chinese attitude, especially the increase in defense expenditure of China and the number of frequency of the fleet passed the five-island chain to the Western Pacific, Japan's government revised its National Defense Program guideline in December 2010. And yesterday, the Japanese government settled the new --- it is the first time, the new national security strategy and revised the National Defense Program and --- with a new mid-term defense program. So, the focus is to defend the southern islands, including Ryuku, Okinawa, Takeshima island territories. That is these recent newest national security strategies' goals.

In the United States, as you know Obama's Administration announced a rebalanced strategy in the autumn of 2011. A senior U.S. government issued blame that this rebalance strategy is never about China, but regarding to making the process of the defense strategy guideline JOAC and Air-Sea Battle Concept. This rebalance, however, might mean the rebalance of the rise of China.

So, at the same time China feels kind of fear that the U.S. and its allies would contain the rise of China; especially China has serious concerns about the Ai-Sea Battle Concept and fear that the Washington sees China as a peer competitor or the future threat of the United States.

For example, in the Chinese defense white paper, bi-annually

published, in 2012, last year, contains some of the new type of messages. This time it did not use in the last 2010 version. So it points out the recent rebalance strategy of the U.S. as the U.S. adjusts its Asia-Pacific Security Strategy, and the regional landscape is undergoing profound changes. And some countries have strengthened their Asia-Pacific allies' military alliance and expanded their military presence in the region. So, that is China's fear.

I think I am running out of time. I'd like to put my conclusion into a few words. The rivalry between great powers comes out more from misperceptions about the intention of the other. Is it caused by small incidents --- actions and reactions in the wide priority of the maritime arena to the cyber domain, I mentioned? But I put the opinion paper on the website, so please refer to that.

And second point. Unfounded fears from the distrust of each other easily make countries overestimate the intention of the others, or exaggerate its own defense policy. That would drive great powers in a dangerous direction, confrontation, or even war. So, to avoid these negative spirals of misperceptions and wrong assessments of the intentions of the other side, a China, U.S., and its allies, Japan, have to take measures as follows. First, handle whatever incident, even a small case, carefully. Second, keep from assertive activities, such as military driven nearby other countries and frightening unilateral measures, such as ADIZ we saw recently. Third, do net assessment about the capability and the intentions of others without any pre-judgment. And the fourth, enhance communication between U.S., China, and its allies, Japan, from any kind of level, from top leaders, navy to navy, air force to air force, people to people. As like Jimmy from China and me had a great battle or a great talk here in the Brookings.

So, that's my --- that's all for my presentation. Thank you very much for your patience.

DR. BUSH: Thank you very much. So, to bring things right up to date, Zhenming, I know that we know very little about what's actually going on in North Korea. But what is your guess as to how the disappearance of Mr. Jang will affect the security competition among the other countries? Will it make it more severe or will it, perhaps in some way, reduce it?

DR. ZHONG: Thank you. I also know a little about North Korea's domestic politics, but I have some speculation, maybe.

DR. BUSH: Okay.

DR. ZHONG: With the recent round of political push, maybe we can say, which comes later with the removal of the Jang Song Taek, the once-powerful uncle of the leader, Kim Jong-un. I think North Korea is likely to be more uncertain in its way, to press the North Korean nuclear issue.

DR. BUSH: It's likely to be what?

DR. ZHONG: Uncertain. More uncertain. And in the eyes of many international scholars, observers, I think Jang Song Taek is typical of North Korean who knows about China, and the ways to engage in international negotiation. And I think the purge of Jang might be lending more centralized power to Kim Jong-un to pursue a sensible international and domestic policy in the future. It might also be facilitating a calling in the stubborn policy towards the nuclear issue.

And it remains to be seen if this will create more difficulties of the international community to persuade DPRK leaders to abandon a nuclear weapons program.

DR. BUSH: Okay, thank you. That's a very honest answer, I appreciate that. So, Jaeho, how will this event affect the trust-building process between Seoul and Beijing?

DR. HWANG: The trust-building process?

DR. BUSH: How will Jang Song Taek's removal and execution affect the trust-building process? And again, we know very little, so all you can do is speculate.

DR. HWANG: Let me briefly touch on the Jang Song Taek issue first. As indicated by North Korea's Central News Agency, Jang may have been executed for several reasons. Maybe women and money problems. But this is not --- his own problem, but a price to other leadership, too.

The allegation that Jang handed over North Korean natural resources to China was not a decision made by Jang alone, but also North Korean leaders, too. Jang may be a scapegoat to take responsibility for North Korea's economic difficulties. However, there must be some other reasons, we just don't know. Now, without that, there's no reason to execute Jang Song Taek with only three things --- there must be something Kim Kyong-hui must have agreed with Kim Jong-un.

DR. BUSH: Explain who Kim Kyong-hui is.

DR. HWANG: Kim Kyong-hui is Kim Jong-il's younger sister.

DR. BUSH: Kim Jong-il's younger sister?

DR. HWANG: Yes, Kim Jong-il's younger sister. And how can we understand North Korean --- such brutal behavior, but then I would like to start with my understanding of the character of North Korea first.

North Korea's slogan of *kangsung daeguk* is strong, prosperous, big country. However, when you change *sung* and *dae* to characters with the same pronunciation with different Chinese characters it takes a different meaning. It means fake country with a strong personality. (Laughter) So, North Korea puts the regime's survival first. In order to maintain regime survival, North Korea can do everything. So, I'm really concerned about the further move made by Kim Jong-un.

Then, how can China and South Korea build further strengthen further relationships? Maybe just last June, President Park visited China. We agreed four agreements. One is to study more the FTA. The second one is which is to strengthen ties in humanities. And the third one is, strengthen strategic communications. Then, we might go further to strengthen those ties first. Then, of course the North Korean issue is very important. Maybe I can give you more details about the strategic cooperation within two countries.

DR. BUSH: Thank you. Now we're going to open it up to questions from the audience. Hang on just a second. First of all, for those of you who are standing in the back, we have some empty seats up here. You can come up and relax.

So, once I call on you please identify yourself. Please wait for the mic before you do anything, and if you have --- want to pose a question to a particular panelist, please identify that person. Also, tell us where you're from. So who would like to go first? So we'll do the gentleman right here.

QUESTION: Hi, (inaudible) from *China Daily*. I have a question for Hwang and Jun. And you know, given this sort of South Korean-Japan dependence so much on U.S. security umbrella, to what extent do you think Seoul and Tokyo can exercise independence in their foreign policies, especially regarding the security issue? I mean, what do you think with China relations --- with China?

And I wouldn't generally represent the Chinese because there are so many diversified views. I would feel at least some feel that when they think an issue --- three of your country is sort of united against China as an ally, trilateral allies, whatever. So there would be a fed-up feeling among some Chinese. So, your comment? Thank you.

DR. BUSH: Jun, do you want to go first?

MR. OSAWA: I'll touch upon the two points. What extent our country has independent foreign policy, right? The first of your two questions. I think Japan doesn't so much rely on the alliance, and despite the Japanese foreign policy pillars --- one of them is to base diplomacy based on U.S.-Japan security

alliances. But as you know, we have --- Tokyo enjoys huge room to strengthen ties with European countries, India, and the Middle East, and Australia, and also we started strategic dialogue with North Korea. Fortunately, we will keep doors open to China. Tokyo is eager to have dialogue with Beijing because in these four decades we have enjoyed a good relationship with China. So only in these five years the relationship between Beijing and Tokyo is getting worse and worse. So based on some kind of misperception of the intentions of the other, I mentioned in my presentation.

So second point is U.S., Japan, and South Korea emergent alliance against --- for containing China. I think this is the imagination by the Chinese people, themselves, because we don't want to take such a kind of containment policy against China because, for example, we --- in these four decades we gave total --- \$4 billion in shell development to Beijing to make their economy more prosperous. If we had such a kind of containment mind, we don't --- we didn't do such a kind of huge amount of ordeals. And even now, because Tokyo stopped the offshore development aid because the Chinese economy developed farther away. But even now, we aid such kinds of environment improvement technology to Beijing and we send technicians to --- many technicians to mainland China to improve the water and the air environmental circumstances.

So the second point is, we don't mind having such a containment alliance. Thank you.

DR. BUSH: Thank you. Jaeho?

MR. HWANG: Do you think now U.S.-Japan and South Korea will build a triangle alliance? And I'm not sure you can answer to that. As you know, Korea and China --- Korea and Japan, we are now suffering certain difficulties. Maybe we cannot go further without reserving some critical issues. Maybe still it takes a little more time for such a visionary alliance.

Of course, that is one side. But the other side, we --- since President Park came about this, then certainly the Korea-China relationship has improved a lot. Just one concern is still --- we didn't know, we didn't get information in advance, as you know China's ADIZ issue. But relatively speaking, the issue certainly damages.

But still, there's a common understanding between two leaders to minimize, you know, damages. So I think that South Korea really hopes --- gets through challenges first. Then maybe the presidency will visit Seoul next year, then maybe we can do more cooperation.

MR. BUSH: Okay, thank you. The woman right here. Okay.

QUESTION: Rachel Oswald from *Global Security Newswire*. I've

got one question for Mr. Zhong and then a follow-up that I'd like the wider panel to respond to. Do you feel in the wake of the unexpected execution of Kim's uncle and, as you mentioned in your remarks, that China and the United States should hold discussions to deal with a wide variety of scenarios on the Korean Peninsula that it's time for Beijing to consider possible plans to create spheres of influence inside North Korea in the event of a collapse of the Kim regime with South Korea and the U.S. Having one sphere of influence and China, perhaps, a different one?

And then to the panel, could you discuss whether you feel that Pyongyang's response to the execution where it publicized it and said that the uncle was purged because he tried to usurp rule kind of acknowledging there was a threat to Kim and that, you know, the vaunted --- not everybody adored Kim. Whether that is hurting the long-term brand of the Kim Dynasty?

DR. ZHONG: I think it's still too far away to make an evaluation. That the removal of Jang Song Taek --- it's too --- to say that North Korea's regime is collapsing. I think it's too far away from that point.

I think for China and the United States it's imperative for the two countries to cooperate and to respond to any future unexpected scenarios happening in North Korea.

DR. BUSH: Do you think that the U.S. and China and South Korea should agree in advance that if North Korea does start to collapse China will take over one part and U.S. another part and South Korea another part? (Laughter) That's what I took your sphere of influence question to mean. Not to put you on the spot.

DR. ZHONG: I think it's too --- to say it's --- too early to say it's right now. Because for North Korea, right now although we have some evidence of the economic and social difficulties for this country, you will find that the imposter --- the North Korean regime survived strongly. Even more strong than anyone can expect it to. And I think it's difficult --- it's different from some other cases, like Iran. You know, sanctions right now --- sanctions --- international sanctions have limited effect. It's a more limited effect than sanctions put on Iran. So, that tells something about the endurance and the persistence of the regime.

DR. BUSH: So, Jaeho and Jun, do you think that the purge and execution of Jang Song Taek indicates that --- do you think the legitimacy of the Kim family regime is hurt by these actions. Yes or no?

DR. HWANG: I think it's still stable.

DR. BUSH: Still stable, okay. Jun?

MR. OSAWA: In my view it's different because the --- as my bio, you can see I was an Intelligence Analyst with the Ministry of Foreign Affairs. At that time, I investigated some North Korean economy as the household. We found that North Korea usually imports \$3 billion and they export only \$2 billion. So how to get the other \$1 billion? From the international financial market, they cannot because they didn't pay debt in these two decades. So, some other activities to get the foreign currency are needed.

And I've heard that Jang Song Taek is a key person to get foreign currency in the North Korean regime. So I don't think without him the North Korean regime can get enough money to import the goods from outside. So, that's the reason I think the North Korean regime will be unstable after the execution of Jang Song Taek.

DR. BUSH: Thank you. Jay Taylor? Up here.

QUESTION: Thank you very much. Jay Taylor, independent writer. My question, I think, is to the panel generally. In the early 1980s when I was in Beijing almost any foreign service --- foreign ministry officer I talked with or in the Academy of Sciences, American experts, they would all agree that U.S. power in Asia --- meaning its supremacy in the Pacific, that is --- and its various alliances, except for the one with Taiwan, were very much in China's interests. And my impression is today that still is the general feeling of certainly the experts. But even, I think, Xi Jinping makes it rather plain. At the same time, China's power has grown and we see it being more assertive when it comes to issues of sovereignty, which is different from looking at balance of power issues in the Pacific and in East Asia generally.

So, I wonder if your opinion --- what do you hear from the Chinese? Would you say that does reflect their view or not, still, today?

DR. BUSH: Jaeho, do you want to start? What's your impression of Chinese views of the U.S. alliances with Japan and Korea and Australia? Are they in China's interests or not in China's interest? Did you understand?

MR. OSAWA: Yes.

DR. BUSH: Why don't you start first.

MR. OSAWA: Okay. I think your question is related to the reporter from *China Daily*, right? So now, Chinese leaders and the military officials --- because I have attended civil international conferences with the PLA officers in these three years. And they feel that the U.S., Japan, and South Korea --- these old Cold War allies --- and the U.S. was right to rebalance the Pacific. So, they told me that China's people, that country doesn't have any allies, even with the North Korea, it's not allies. So, the Chinese people feel fear to be

contained by the old Cold War mentality alliance.

So, this Cold War alliance means the presence --- equally means the presence of the United States --- the Western Pacific, right? So, I think the Beijing view is serious concern about the strengthening that the U.S. presence in the Western Pacific, especially.

DR. BUSH: Jaeho, do you agree?

DR. HWANG: I think of being number two is a very difficult job. After the Soviet Union, then Japan, then now China. Since the financial crisis in 2008, China certainly --- you know, pushed it back to the state. Then, I think some --- maybe China has to face a number of challenges from the U.S. and its allies. So, China didn't like the concept of the G-2. I really like --- explain G-2 by saying in Chinese expressions, G-2 pronounced in Chinese means G-2. In other words, jealousy. So now, U.S. and other allies are --- the Chinese feel the U.S. and its allies push it direct China into the state.

But China, from my understanding, feels this is inevitable process. Then they feel a kind of loneliness. China never tried to, you know, connect --- never tried to make alliance, but if you look at the --- the borders surrounding China, China doesn't have many friends. Now --- but just to take South Korea as an example. We are also having a dilemma in difficult times. We have to look at both sides. But this not only South Korea's problem to other neighbors, too. Maybe China continuously is right, but China must have to overcome many challenges. Then, in the process of the rise, China needs a new friend. Maybe South Korea will be very, you know, good candidate to understand all sides.

To South Korea, we are not, you know, very actively interested in the democratic alliance. But please understand, such a small country just living next door, such a big country --- you understand. But we also share all, you know, universal values, too.

DR. BUSH: Zhenming, what do you think China's view is of U.S. alliances?

DR. ZHONG: In my view, if the United States, Japan, and South Korea alliance can be developed in a way that this alliance would be constructive to the peace and stability in its station, I think it's a good thing. The ideal scenario is the U.S.-China cooperation and the U.S.-led alliance can develop in parallel. And I think fortunately in China, we're seeing economic and policy communities. Maybe we have to mix the perceptions.

On the one hand, the U.S.-led alliance has some positive effects. You know, the U.S.-led alliance, in many ways, provides some public goods and facilitates stability and peace in this region. On the other hand, we have found

that we have some negative effects.

For example, right now under the circumstances of U.S. rebalancing strategy, some may argue that some disputes between China and some countries who are U.S. allies might be deteriorating because of a perception that the instabilities can be used by U.S. allies. They are emboldened to take even tougher policies to those disputing issues.

And the other example for the reason for tension is concerning Japan's attitude toward the Senkaku Islands. You'll find that for many Chinese, in their view --- in many Chinese views, Japan is likely to capitalize the U.S.-Japan alliance to pursue its own national security interests and some opportunities.

For example, Japan wants to legalize its maneuver --- legalize its territorial terrain over the Senkaku Islands after the nationalization of those islands. And the U.S., although it has always insisted that it takes no steps --- takes no sides toward this, but they said that the U.S. security covered those fields. So it's likely that the U.S.-Japan alliance can be capitalized by Japan.

So, that is a negative effect, I think. So it's imperative for the United States sometimes to rely on Japan's risky behavior.

DR. BUSH: Okay, thank you. I have the gentleman in the red tie, then I'll come here, then I'll go over there.

QUESTION: David Wu, former member of Congress. I wanted to follow up on the gentleman from *China Daily's* question and Dr. Osawa's answer. In my conversations in China, the very strong perception there is that --- well, there is this incredibly strong antagonism toward Japan, and that is a mild way to put it. And the perception is that Japan would not be behaving this way without the United States actively pushing Japan to do that. And I have explained to people high and low that our view is we have no position, that we want a peaceful solution, and our tail is caught in a crack because of the defense treaty. And you know, so often politics drives policy and perceptions drive politics, and Dr. Osawa gave the Japanese view. I think my read of the Chinese view is reasonably active. And given this vast difference in perception, what do you all think is the risk of miscalculation and active conflict as a result?

MR. OSAWA: Okay. First of all, I'd like to mention one point. The United States enjoys the freedom of speech, also Japan enjoys the freedom of speech, but in Beijing there is no freedom of speech in the media. But they have freedom of speech against Japan. So, the Chinese media and the Chinese people can make a blog or a news report, even without any evidence. They can criticize strongly Tokyo or Japan, and then carry some hawkish view that is not the main view in Tokyo. They carry such a kind of hawkish writer's view to the article. So, these kind of negative spirals are now going on between Beijing and Tokyo

that affect the people's mind and perceptions of each other. So, that's my first point.

From the Japanese --- from --- it is, in my personal view, from Japanese --- from the visiting fellow from Tokyo, I think the --- we are living next to China. China is getting larger and larger and larger and larger, and expanding its periphery toward us. Because the Chinese fishing boats are coming in to the East China Sea near our territory, our waters, to catch the fish. So, we feel some kind of pleasure from the continuous double-digit development of China. So, I'm some kind of a fat man and if I am fattening, fattening, fattening, fattening and then I push the --- reach to the other side. So, I think we feel such a kind of feeling, emotional feeling that will make the Japanese view a more pessimistic way.

And the risk --- I think in the struggle with --- between China and Japan and --- actually, 2010, we captured the fishery yardman and bring him into the court. But it has never happened, right? Because usually the Chinese people enter into the Senkaku area and are arrested, but directly returned to mainland China. So that is the usual custom between the Chinese and Japan. But at the time, the government is the new driver. They don't have --- they didn't have any experience to drive the government, so they mistook the small measures, not in the usual customary way, but they did new measures to deal with the Chinese people at that time.

So after that, there is a struggle and tension between Japan and Thailand like this. Japanese-Tokyo partners, and China takes the counter-measure to send the coast guard to the territorial waters of the island. So, we send more ships to the island. So, that's the reason in this September there is aid from mainland China, aid from Japan. And like a cat and mouse race, they are.

So, the tension is little by little higher and higher and higher. So, we feel that at some point there is the --- some mis-order by the captain or commander himself. I don't know which side. I don't want to say which side, but in some point in the future, the Senkaku Island tension is getting higher and higher. So, only a few mistakes of the control make a serious crash between them. Yeah, thank you.

DR. BUSH: Zhenming, do you agree that there's a danger of some kind of conflict because of the tensions in the maritime area?

DR. ZHONG: Yes, of course I think it's a danger to the stability in the East China Sea. But I would like to also make some comments about the Senkaku Island dispute. I think last year's nationalization by Japan was --- brought up provocative maneuvers with a view to legalize Japan's territorial claim over the islands. And unfortunately, the United States failed to rein in the Japanese actions. And maybe in this case, Americans actually support Japan because they hope to maintain alliance credibility to Japan and put a regime to

Japan-China relations. And I think China's announcement of ADIZ can be explained by a way to --- by an effort to deny Japan's nationalization and the legalization effects. And Japan, on the other side, as we know views that there was even an existence of disputes. So, I think this is the starting point for us to analyze the Senkaku Island disputes.

DR. BUSH: Okay, I'd like to take two questions over here. This gentleman over here and the gentleman back here. Try to keep your questions short.

QUESTION: Ken Meyer, (inaudible). A common venue for the settlement of disputes over international borders is the international court of justice. Columbian or Nicaragua, for instance, took their dispute over some islands in the Caribbean there. What is the position of China and Japan and the United States as far as taking the dispute of the Diaoyu/Senkakus to the ICJ?

DR. BUSH: And the other one here?

QUESTION: Thank you very much. My name is (inaudible) from *Asahi Shimbun* newspaper reporter from the *Asahi Shimbun*, a Japanese daily. I'm just wondering about, you know, the new model of major power between China and the United States. And at the same time, you know, Mr. Jaeho talking about a new model --- relationship between South Korea and China.

You know, this word is used by former President Hu Jintao last year. I think it's not a new word, but from the Sunnylands, any dialogue between the U.S. and China has been used, and at the first moment the United States didn't say major power --- new model of major power, but usually and recently it analyzed --- and official. It's starting to use this word.

So my question is, I think this is a kind of prevent --- in order to prevent civil conflict and have a mutual respect. But do you think the question is going to (inaudible)? What is the new model of major power from the viewpoint --- from the Chinese side? And what's the main point and, you know, they still have --- already have enough mutual respect or they're still having a huge gap, especially in the security issues and maritime issues? And what is the new model in South Korea and China? Thank you.

DR. BUSH: Okay, first on China's and Japan's view of going to the ICJ?

MR. OSAWA: Okay. I think the --- Tokyo's policy about the Senkaku Islands --- with the Tokyo bringing this issue to the ICJ is ambitious because the Chinese government has not framed this issue to bring the ICJ because they would like to solve the issue bilaterally. That is the Chinese position. So, we are the side of that acceptance of the frame. So, we have the

effective control over the island, so we are waiting whether China will bring the issue or not.

But in my personal opinion, Japanese government brings the same kind of dispute issue to Kagoshima, to the ICJ three times in these 50 years. In the 1950s, the 1960s, and this year. So, we are the country that brings the justice of international society, so we would like to solve any kind of problem in negotiation or the debate in the international society. We don't want to --- we never want to use any force to solve the problems.

So, regarding this Japan-South Korea issue, I think if China brings the territorial issue to the ICJ, Tokyo will accept debating in the ICJ, right now. (Inaudible) or other various issues debated in the ICJ. That's my answer.

DR. BUSH: Zhenming, do you have any comment on this?

MR. ZHONG: I think for disputes of the Senkaku Islands, I think one of the starting points of our discussion is that neither side can accept the other side having full sovereignty over this dispute in the islands. And the first step for us to adjust this issue --- is for Japan to admit that there was a dispute, as we all know. So, that is my response.

DR. BUSH: I'm going to answer the question on the new pattern of big country relations. I think the challenge is to put some content into this concept. I think that it's not clear what the content is, and before it can become a real pattern you have to know what the pattern is.

So, I had two questions here in the middle of the room, and then that may be all we have time for.

QUESTION: Thank you. Michael Callup, the International Commerce Consultants. A writer said the other day that as China has risen its horizon becomes broader and more distant, so it's resolved its national control issue in '49. It solved its decision to integrate with the rest of the world in the '70s and now it is viewing an opportunity to revisit the Treaty of Shimonoseki in 1895. Does anyone have a comment on that being the fundamental historical bedrock problem in the question of the Diaoyu/Senkaku dispute?

DR. ZHONG: The --- clearly the other questions?

DR. BUSH: Does China want to revisit the issue of the Treaty of Shimonoseki or the (inaudible), particularly with respect to the Diaoyu Islands?

DR. ZHONG: I think --- yes, I think those disputes are very tough problems for any country. But the Diaoyu Islands --- this dispute is very complex. And if you look at the history of the source of these disputes, you will

find that it's very complex and you can trace back to the 100 years ago rivalry between China and Japan. And it concerns some legal, historical, geographical debates among --- with China, Japan, and the Chinese Taipei, and this is very complex.

I think you mentioned that case. I think it's hard for us to understand how to have a better resolution of these disputes. It is my opinion.

DR BUSH: Okay, final question. The gentleman right there.

QUESTION: My name is Don Kirk; I spent some time in South Korea. I'm just wondering, getting back to the question of Mr. Jang. He visited Beijing in August of 2012, I believe, but he did not go in May of 2013 when Mr. Choe Ryong-hae went to Beijing. I wonder whether this indicated a significant shift in China's outlook from the Hu Jintao administration to the Xi Jinping administration to the Xi Jinping presidency? And whether China had ceased to support Mr. Jang and was no longer interested in him and preferred to deal with someone perhaps more pliable and perhaps more amenable to China's military ambitions in the region? Thank you.

DR. BUSH: Don, you're being a little bit misleading about how long you spent in South Korea. Anybody want to speculate on China's view of Jang Song Taek and whether it changed?

He is offering the hypothesis that China wasn't viewing Jang Song Taek as favorably as it had before, starting last year. Do you know?

DR. HWANG: I heard he was taken custody early this year. I have no idea.

MR. KIRK: (Inaudible)

MR. HWANG: Maybe I can turn a little bit about Jang? Or ---

DR. BUSH: Whatever you want. Do you have any views? Okay, I think that with that we're going to have to bring the program to a close. It's our last program of the year. I want to thank you all for coming today and coming on other occasions. Your support is very important to us because you ask really good questions and you force our speakers to think. But please join me in thanking our three panelists. (Applause) And together, we'd like to wish all of you a happy holiday. Thank you.

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