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THE BROOKINGS-TSINGHUA CENTER FOR PUBLIC POLICY

STRATEGIC REASSURANCE AND RESOLVE: U.S.-CHINA RELATIONS IN THE TWENTY-FIRST CENTURY

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PROCEEDINGS

MR. QI: Alright, good evening. Welcome to this roundtable discussion tonight. And this very beautiful evening of one of the rare occasions here in Beijing for speaker Michael, probably this is [inaudible] to us tonight and thanks to all of you who have spared their time with us tonight. My name is Qi Ye, I am director of Brookings Tsinghua's Center for Public Policy and also professor of the School of Public Policy and Management.

Tonight, we are going to, I promise you to have a great discussion and all the wonderful speakers. I promise we have the best minds you can ever find here in town on international relations. Let me just quickly say, I'm very happy.

My colleagues, former colleagues and friends, three keynote speakers tonight. We'll have Dr. Michael O'Hanlon, he's a senior fellow at Brookings Institution and is with the Center's 21st Century Security and Intelligence. He's also the director of research for the foreign policy program where I have my senior fellowship. And, Michael tonight is going to talk about his new book right here. Together with Dean [inaudible 1:47] the former Deputy Secretary of State, together with Hilary Clinton. Two of them authored this new book, "The Strategic Reassurance and Resolve" and this is also the subject of tonight's discussion.

And, we'll also have Professor Jia Qingguo, he's a professor and Dean of International Studies at our neighbor, Peking University. And Professor Jia received his PhD at Cornell University in 1988, after that he taught in Vermont, Cornell University, San Diego, University of Sydney and many different places. Our professor Chu Shulong, here with us tonight, and many of us tonight who have taken his classes I'm sure, extremely well-known expert on International Relations.

What we're going to do tonight, is roughly one and a half hours of speech and discussions. I would first like to invite Michael to talk about half an hour, followed by another half an hour by

discussion split between Professor Jia and Professor Chu. And after that, I will invite you for your questions and your comments. Different opinions are very much expected and very much encouraged, because this is the perfect time for this subject. And after President Obama returned from Asia, and there are a lot of very interesting conversations and discussions related to the subject tonight. You realize the subtitle of the book “US-China Relations in the Twenty-First Century” is going to have a profound impact on our daily life here, and the future generation’s in this next century. Let me first invite Michael to speak. Welcome, Michael.

MR. O’HANLON: Thank you very kindly my friend, and thank you everyone. It’s nice to be here, it’s a real treat and I look forward to the discussion especially so I’m going to see if I can stay on the shorter side of the half hour. Since we are at a university, and since I wrote this book with a man who is not only former Deputy Secretary State but is now the Dean of the Maxwell School at Syracuse, and also had been the Dean of the LBJ school at Texas, let me begin with a bit of an academic perspective.

I’m not going to stay at an academic level too long, but one thing we thought about in doing this book is that we saw a lot of literature on the US-China relationship that fitted into a classic International Relations theory approach that was either fundamentally optimistic or fundamentally fatalistic about this relationship. And you’re all very familiar with some of the name proponents of each school of thought, but basically in a nutshell the people who are fundamentally optimistic about the idea that the US and China should always get along.

They will say, first of all, both sides have watched the history of the twenty first century, and were hopefully smart enough to not want to go back to that, to the rivalry, to the world war. Secondly, we have nuclear weapons both of us, to add additional deterrence. Third, we have a positive agenda to pursue, strong economic ties, a lot of need for each other’s economic strengths

that we benefit from mutually. And so it would be insane, to be blunt, to wind up fighting. So how could we ever do so? And that's the school of thought you might describe as the globalization school of thought.

But there's also a nuclear deterrence school, a sort of historical learning school that might go into that way of thinking. Jim and I would love to be in that school but we can't quite persuade ourselves that things would be so happy or at least so sure to go into a good direction. But we're certainly not in agreement either with John [inaudible] fatalist, the structural realist that says because you have an established superpower and a rising superpower, therefore the two are bound to compete or even fight.

And of course, people make reference to history, to make that argument as well, and they also will sometimes point out the different political systems of the United States and China. But they don't even necessarily focus always on that issue, they focus more on the fact that even if the United States itself does not have any territorial disagreements with China, that we have allies who do. And that's enough to implicate us in some of these potential problems in East Asia and the Western Pacific.

Therefore, you will see the same dynamic that you have seen historically a hundred years ago in Europe with German's rise, where the rising power meets up against the established power and they have to sort of fight it out in one way or another. You just hope the war is not an all out war, but you expect something fairly intense, at least at a minimum, a major military competition in rivalry even if we don't wind up going to war. That's the fatalistic school. Jim and I would poke holes in both of these arguments.

So for example, the problem with the optimistic argument, because I which we could all agree that it was that simple, and we wouldn't have to worry about writing the book. But the problem with the optimistic argument is of course, wars don't have to begin by a conscious or

rational decision by either side if we're going to have World War III. Wars can begin partly because both sides are convinced that there won't be a World War III. That whatever the importance of the Senkaku islands, or the South China Sea disputes or anything else, we can all agree it's not worth World War III.

And for that reason, there can be doubts about whether one side would really want to get involved. So perhaps China could persuade itself that the United States just does not really want to be involved in a dispute between China and Japan, or China and Taiwan or what have you. And therefore they could sort of have this kind of conflict and get away with it. Or maybe we feel that we can defend Japan's claim to the Senkaku islands, and the worst thing that would happen would be something like the unpleasantness of a couple of years ago, and the risks are contained and therefore no need to worry.

And the problem is of course that this can allow for the beginning of a conflict, where both sides are confident they can stop it before it gets really bad. But one thing we know about history, including the history of Europe from one hundred years ago is sometimes when wars start over silly reasons, and limited stakes they don't stop there. And so that's a reason why I'm not confident we can just fall back on the optimistic interpretation of where this relationship is headed. The problem with Meersheimer's argument, I mean, for one thing, it's if you did believe it, it would be hard to wake up in the morning.

Because it's so fundamentally depressing to really think that we're inevitably headed for war just because we are human beings and living in large countries. You would hope that the memories of the world wars would change just a little, that nuclear deterrence and economic interdependence would at least give us something to hold on to. And as we watch China, change and evolve and grow, and develop over the decades, I think most Americans are at least partly very impressed. Because what China has done you can criticize in certain areas, as an American,

just like Chinese can criticize the United States, but there's a fundamental amount of respect between these two nations that provides the basis for not having to go through that war to get to a stable great power relationship.

So Jim and I throw away both those schools of thought, the deterministic schools. But we also have enough reason that we're worried about where this could go, that we feel it's worth spending a lot of time thinking through some ideas about the growing competition. In the first half of the book we basically make the argument for why there's the potential here for good but also for bad, and so we look at the history of China and Chinese strategic thought. You'll have to forgive us here; we're two Americans trying to do this as fair as we can. But we basically say if you look back on these trends in Chinese history, you'll see a lot more restraints during certain periods of time, actually for long periods of time than we saw through a lot of the European powers.

So China was indeed a more peaceful power for certain parts of its history. And this ties into the view that the Confucian ethic that the tradition of feeling proud of being a great civilization, the middle kingdom, all of this gave China a certain confidence and also a certain contentment of its own country that did not require the sorts of imperialism that Europeans carried out in much of the fifteenth, sixteenth, seventeenth, eighteenth, nineteenth and twentieth centuries. On the other hand, China did not get this big just by being peaceful, neither did the United States.

So we point out that in our interpretation of Chinese history, there is the basis for very positive state to state relationship between the countries, but there's also the history of a great deal of price. And obviously now a very impressive rise of Chinese power, and on top of that, as Americans we try to learn from our Chinese friends and from Henry Kissinger and many other students of the relationship. We know very well, and we emphasize on the book, that China will

never again accept a century of humiliation. We know, we think we understand, what that meant for China, what that did to the Chinese view of the world today, and the commitment China has never to allow anything like that again.

So China is going to assert itself, if for no other reason, than for defensive reasons. So I think how China behaves in the future, we try to argue, will be influenced by all these realities of China's history and China's past. Some of them more inclined towards peacefulness, some of them inclined towards resoluteness, and even assertiveness. In our book, "Strategic Reassurance and Resolve" we acknowledge that both sides are going to be resolute in defense of core interests. I think you all know that there are some Americans, who say to the United States, in this particular moment in history, let's try to just step up the competition with China.

Let's recognize there is a competition and let's try to win it. And my good friend Erin Freedburg of course, wrote the book "Contest for Supremacy" and he's basically arguing that we need to stay focused doing well in our own capability, and if we do, then we may be able to prevail in this competition with China just as we prevailed thirty years ago with the competition with the Soviets. Well, there are parts of Erin's arguments that I like, but some parts I don't agree with, and some parts that our book challenges.

And we think that China definitely, even if it has a certain set of fairly peaceful themes in its history, also has assertiveness and pride and a very strong desire never to suffer a century of humiliation again. So we begin with that interpretation of Chinese history, and I invite you in a few minutes to come back at me to tell me where I'm wrong, and where I got that right. But that's a big part of the book, because we're trying to explain to Americans that 'yes there is a basis for cooperation with China;, but if things go in the wrong direction, there's also a very strong Chinese history of assertiveness and of current Chinese mentality which is 'we are going

to have to be firm and resolute in the future so we don't suffer what we suffered from 1839 to 1945 ever again'.

And then we do the same thing for the American position, and I'm sure for those of you in the room who are Chinese, you probably don't need to be convinced that America can be fairly assertive. Sometimes Americans need to be convinced, and when we talk about this argument at home, we sometimes spend a little bit of time reminding our fellow Americans that this national myth that we sometimes tell ourselves, about how Americans prefer to be left along in our wonderful little North American paradise, it really is a myth.

We have never really been a passive people, because you know Americans like to say we only got dragged into these world wars because our European friends in particular couldn't solve these on their own. And then we got sucked in, and inevitably we had to bail out Europe in particular, to some extent South East Asia and that led to the view that we had better stay engaged in the world because you don't want to have to go in after the war has already begun, we've already done that twice and we don't like doing that, that's no fun. And it's not very good for world peace. But nonetheless, this myth that we were somehow uninterested in the world has never been true.

We didn't get to be a huge North American power by being peaceful. We compromised much of North America. We attacked Mexico, we started getting into the imperialistic game in the Pacific a little bit, as you know we were part of the 'open door policy' with China which maybe wasn't as egregious as some of the other things but it was not passive or isolationist either. And then we point out, this isn't really a criticism of the United States because we say listen, the United States did actually do some good things in the world wars and the cold war by staying engaged around the world.

This is now part of America's DNA, our political DNA. Our strategic culture says America must stay resolute and engaged because we've already seen what happens if we try the alternative of staying back home. So even if you don't buy the American myth that we sometimes still like to tell ourselves, that we prefer a sort of quiet life back home, just watching our baseball games and trading a little bit, but otherwise trying to stay out of the world's business; even if you don't believe that about our history, that you should still recognize that for the American mentality, we've learned the hard way that we actually can't afford to stay isolationists.

And I think that this is a theme, that both sides try to understand each other, Chinese friends need to understand that this is a big part of the American psyche. So of course, China is not the country that started World War I or World War II, or the Cold War with the Soviet block, but nonetheless Americans feel that we have to stay engaged, resolute and committed. So if you go into this situation with those interpretations of the two countries, the U.S. and China, you see the potential for a good relationship but also the potential for a bad one because China wants to assert itself, and avoid another century of humiliation, the United States believes in peace through strength and peace through engagement and defensive allies.

And some people in the United States will say it's too hard to defend Taiwan, or too hard to stand up for Taiwan, too hard to stand up for the Philippines, let's stand up deciding that some of our allies aren't quite so important and we could afford to fall back and let China have a little bit more say. The problem with that argument is that first of all, politically at home it doesn't work, it makes people think you're weak.

But more importantly, if you start to cut off certain allies, you start to sell out certain allies, where does the process stop. And at what point do other allies, let's say in the Middle East, the Saudis, the Emirates, the Turks, start to decide we're probably going to sell them out too once it's convenient. Therefore all the accomplishments we try to achieve in the period since World

War II in the generally stable international order, relatively little amount of nuclear proliferation, that whole logic is jeopardized because we pulled back.

So, I've taken twenty minutes to lay out the theory of the book because I think it's important for me to make those points clear. That's really what we wanted to do in the first half of the book. In a sense, to argue that it all depends. We spend the first half of the book saying the U.S.-China relationship is not pre-ordained to be good or bad. There are a lot of people out there telling you that it is, and they're wrong. It's in our hands.

Or because there are a lot of young people in this room, it's in your hands. You're the ones that are going to figure it out. Because you're going to be in this moment in history where China is really becoming if not the other superpower, certainly very clearly the world's number two power, and maybe the other superpower. And we're going to have to figure out how the two countries get along in that context.

There's not going to be easy answers like America pulling back, or America outcompeting China, or China deciding to go back to the way that some of the behaviors of the fifteenth, sixteenth, seventeenth, eighteenth centuries where you just sort of look inwards. Those days are gone. So we've got two very assertive countries, but also countries that don't really like to fight. If they start to fight, they're good at it and they'll stay resolute, but they would prefer not to. They both like to tell themselves that they have peaceful traditions, and there is the potential and a lot of mutual respect here, therefore the potential for the two countries to get along if we work at it correctly.

Okay so, I'm only going to spend a few more minutes now on the second half of the book, which is basically what do you do about it if you come to that interpretation of the problem. If you come to the view that it all depends, nothing is pre-ordained, and all the easy answers are useless. We can't just pull back. We can't conceive this part of the world to Chinese hegemony.

We can't expect the Chinese to conceive this part of the world to old-fashioned American hegemony anymore either. So how do you blend strategic reassurance with strategic resolve from both countries?

The strategy we lay out in the book only works in the end if both countries adopt something like it and pursue it mutually. It doesn't mean that we have to have a lot of big arms control treaties like in the cold war, in fact arms control, I'm going to give you a couple of examples in a second. We do have some arms control ideas but we don't necessarily consider them to be adequate, to be the cornerstone of the whole strategy and if you try to do some of this arms control, if you try to push it too far, you might do more harm than good. So you're going to have to look through many areas of military competition and what you're going to have to ask yourself if you're in Beijing or Washington is: how do we stand up for our core interests but avoid unnecessary provocation or rivalry.

So it becomes a [inaudible] book to use that slang term, the devil is in the details. You have to come up with specific proposals on a lot of different issues, and let me just give you a very quick list of a couple of them. We have a list of about twenty or twenty two of them in the book, but we don't necessarily think that all twenty or twenty-two of the points are crucial, nor do we consider them to be adequate. So it's more that the theory, the idea has to be accepted by both sides, and then built upon by new parts of the concepts that need to be flushed out in the future. A couple of small arms control treaties and ideas.

These are partly just designed to minimize the risks of danger, of escalation, or to build up some better working relationships between the two countries' militaries. We need more cooperation, more communications between the working operational levels, the military. Let me give you a couple of ideas. We would like to see a couple of restrictions on the use of outer space. In 2007, China destroyed a satellite, in 2011 I think, we did the same.

That was understandable but we don't want to see this competition get out of hand in space, and so we have some specific suggestions. If you're going to cause an explosion or collision in space, either the U.S. or China should do it below a certain altitude in space, that means that the degree will fall down more quickly and prevent space from being in more contested zones. We would avoid development of dedicated anti-satellite weapons, which could create a more tense environment in regard to space. We would also then look at incidents at sea, and try to adopt a treaty like the U.S. and the Soviets had in the Cold War.

On this issue I do think that the Cold War provides some good models, not on the breach but on this one, the U.S. and the Soviets we realized that we're operating our naval forces close together. So we at least need some rules of the road so we don't make those operations more dangerous or less safe. So an incidence at sea agreement; for one thing if you're flying airplanes off an aircraft carrier, the other country should not try to approach your aircraft carrier too closely because that would be dangerous, it would require to divert or what have you.

Another idea on arms control. We propose something called the open skies treaty. I'm sure some of you remember this concept from the cold war as well. This was a treaty we were negotiating with the Soviets as well at the end of the Cold War, and then the Cold War ended but we completed the agreement anyway. And the idea here is that NATO countries and former [inaudible] countries are allowed to overfly each other's territories with reconnaissance airplanes. As long as they file the flight profile of what they want to do in advance. The idea is here, I'm sure some of you have read Braginsky's idea from his book "Strategic Vision" that he thinks the United States should not do as much reconnaissance near Chinese coasts.

And I realize a lot of Chinese feel we do too much. But unfortunately, from our point of view, some of that is going to be inevitable. But what we would like to find is a way in which the Chinese could have some access to American airspace and territory to make the whole situation

feel a little bit more reciprocal, and a little more fair. So the open skies treaty which is already tested by this Russian-American NATO Warsaw Pact approach is something where the Chinese found that to be helpful to them, we think the United States should be open to the idea because we already know how to do it in a way that is safe for our national security interests. But it still allows for some transparency and some confidence building.

So those are some of the arms control ideas. Just two more categories of ideas quickly, and then I'll stop. One of them is on the issue of planning for possible military contingencies. And there are a number that we look at. We look at some of the East China Sea and South China Sea contingencies, and I'm happy to come back to that in discussion. But let me begin with Korea. Because Korea is an example of a place where it's sort of good for showing how our theory is supposed to work because the Korea case shows opportunities for each country, the U.S. and China to sort of reach out to the other and to try to be more inclusive, more cooperative. This also of course required participation by South Korea.

And from a Chinese perspective it may require at least some delicate handling of the North Korea issue. Let me tell you what I mean. If there were to be another Korean conflict, heaven forbid, and I desperately hope there will not be, but the conversations about this could be helpful to our relationship even if we never have such a conflict. But if there were another conflict or collapse in North Korea, then Jim and I argue that Seoul and Washington should consider inviting China into the conflict to help with the problem.

What we mean by that China might have some reasons as to why it might want to be involved. Apart from the fact that China is aligned with North Korea, we all know that, we know that's an unusual type of alliance, it's a bit of a challenge to Chinese friends and not necessarily an alliance you relish depending on the day. But if there were a war, we think that China is going to have some strong interests to want to come in and to part of North Korea with its military to

regulate refugee flows, perhaps to look for weapons of mass destruction or other nuclear materials. And let's be blunt, China might also want to have a foot hole there as a negotiating card for what happens after the war is over. Thinking that if China has got its military forces inside of Northern North Korea, and the United States has its military forces in the Southern half of the peninsula, then we could envision a day when all the foreign militaries would simultaneously withdraw and the Korean peninsulas will be left for the Korean people.

Well, from an American point of view and from a South Korean point of view, that may or may not be a good idea. But Jim and I say in the book, let's let the Koreans decide if and when we get to that day. And let's be confident in our respective strategic postures in the region, that let's say there is a war, let's say Korea is consolidated under the control of Seoul. That at the end of this war, even if there are both Chinese and American forces on the peninsula, the Koreans get to choose who stays and who leaves. Maybe they ask us both to leave, maybe they ask us neither to leave. Maybe they just want a small American presence in the southern part of the peninsula, and they ask the Chinese to leave. Koreans should choose.

Jim and I argue, at least from an American point of view, and we think a Chinese point of view, we can accept that kind of uncertainty. And it's more important to think about how we would cooperate in the contingency itself. Because the danger of not cooperating is high, and the potential benefit of working together on this problem if it ever happens is great enough that we can both worry later about what would happen once the whole conflict is over. So that's just a very capsuled version about what we say about Korea. Last thing I should at least touch on this, I've already come close to my thirty minutes.

We do talk about even the bigger picture issues of defense budgets, military modernization, air sea battle, anti-access area denial, a lot of the big ideas that are out there. We have a couple of ideas to offer to both sides on these questions as well. So again, I'm going to

speak on short hand and we are going to come back to this in discussion. But we have one central idea for each country, and they're totally different types of ideas but they both relate to this broad set of issues, and for the Chinese friends in the room, you may or may not like the idea for China but here it goes. Right now, China's military spending is estimated at somewhere between, if you put it into dollar equivalent, somewhere between 150 billion a year and 200 billion a year.

Clearly the number two power in the world. Very impressive rate of increase. The United States military budget is about 600 billion a year, it was 700, it's headed now closer to 500. What we suggest to Chinese friends is that as your budget gets closer to about half of ours, but you think about slowing down the rate of your buildup. Not as a permanent decision to stay less than the United States but because right now the way the international system is working, we're devoting our military to two main theaters in the world. The Western Pacific and the Persian Gulf.

And the Chinese are focused primarily on the Western Pacific. So in a sense, right now, we are protecting the world's Persian Gulf oil. That may not be something China wants us to do forever, you may not see that as some great favor we are doing you. But right now it is helping the world economic stay stable. And so there is a certain logic to the United States outspending China for the foreseeable future.

We're not trying to lock this into a permanent arms control treaty, that would not be realistic, I don't expect that China is going to stop increasing its military budget once it gets to 250 billion but it might think about slowing the rate of increase which has been 8 to 10 percent a year to something less than that. For the American side and I'll finish on this point. Air sea battle. Well, we know Chinese don't like it when we use this term. And we understand why. And Jim and I understand at the same time, the reason why the U.S. airforce and the U.S. navy came up with the idea. Because there are trends in military technology that require them to integrate their

military defenses and even perhaps their offenses better than they did in the past. But air sea battle has some problems, just like the term 'pivot' has some problems.

Just as the term pivot is more usefully replaced by the rebalance, we would submit that air sea battle needs to be smoothed over and refined. We would call it air sea operations, we would include not just the U.S. air force and the U.S. navy but also the other U.S. military services, our allies and even neutral countries like China in some of the ideas, some of the exercises, some of the thinking behind it. That's not going to be possible for everything, neither China nor the United States is going to want to cooperate on every kind of possible issue.

But we can build on things like the Gulf of Eden counter-piracy mission and take this to a higher level of integration on some communications and other things which are at the heart of air sea battle. But again, I want to call it air sea operations. And I also, we also advised American military planners that some of the theory involved in air sea battle which calls for early offensive strikes against missile bases and submarine ports in China in the event of a war, we have some big criticisms of that way of interpreting air sea operations. So some of the doctrine behind this, some of the think tank writing behind air sea battle has had a very offensive flavor, which is very escalatory. And again we understand the military logic of it, but we think we have to avoid pushing too far in this direction. So I will leave it at that for now and we can come back to all these discussions later, but thanks for your patience, I look forward to my colleagues' responses.

MR. QI YE: Well thank you Michael, that was great. From air sea battles to air sea operations. For those of you who are interested in the theories part, I want to remind you that Mike also has an adjunct professorship with Princeton University, Johns Hopkins and Columbia University. And for those of you who have not read the book like myself, and just to give you a taste, let me just read a few titles of the chapters. Alright, military spending and military

modernization chapter five, military contingencies enhancing crises stability, the strategic domain of nuclear space and cyber. And also you have these tremendous recommendations from well-known scholars and practitioners.

Let me just quickly read a few. “The United States and China are locked in increasingly intense strategic rivalry, in their thought provoking new book, **Frangberg and O’Hanlon** seek ways to prevent this competition from spiraling out of control. The book argues that the major armed conflict between the United States and China is far from inevitable, and the author provides for a specific set of guidelines for avoiding unnecessary competition. And finally, a must read for anyone interested in future U.S.-China relations. Okay, let’s just move on, let me invite Professor and Dean Jia Qingguo from Peking University.

MR. JIA: Good evening everyone, thank you very much Mike for giving a very comprehensive introduction and brief introduction of the idea and the strategic way of showing the book. I like the concept of strategic reassurance, when Jim came up with the concept I told him it’s a great idea. But the initial response in China was different, people thought the Obama administration was trying to make China to make commitments to reassure the U.S. rather than the other way around.

And actually, as Mike laid out, Jim was calling both countries to make reassurances, to reassure the other country. It’s much more even, more reciprocal kind of foundation. Well, now it’s becoming a book, it’s a lot of details filled in. Now we know that there is a lot of comprehensive or systemic categories of things in terms of strategic reassurance. We are talking about restraint, reinforce, transparency, transparent, resilient and resolve. And then there are ten key recommendations. Some people say that the devils are in the details.

It's really not easy to come up with those recommendations because you get into a situation where people may tap you from different directions. In general, the recommendations are very pragmatic and rational. I think if the two countries follow the recommendations, then the relationship must be better than it is now. In addition to the five things that the two countries should do to reassure each other, another thing that may be taken into consideration is maybe mutual appreciation of what the other side has to offer. Merits of the other side.

From the Chinese perspective, I think China should appreciate the U.S. effort to maintain peace and order in the world, in a way. For example, [inaudible] to make it possible for international trade and also U.S. efforts to maintain peace in Asia Pacific region. One [inaudible] of U.S.- Japan military is to keep Japan from becoming [inaudible] Japan Pacific. Of course, the other side is to keep China from doing things that the U.S. does not want. But at least the other side should be appreciate by the Chinese. And also, you know, probably China should appreciate that the U.S. for the past 30 plus years has encouraged and also allowed China to reintegrate with the outside world.

Apparently, the U.S. did not regard China as an enemy, if the U.S. had regarded China as an enemy, then probably the U.S. would not have done this. So the situation is much more complicated. But in pop culture in the U.S., tabloids are encouraging that China has become powerful, integrated with the outside world and has prospered. The U.S. probably should also show its appreciation of what China has done over the years. How many people have been lifted out of poverty in China?

I mean if you look at what the world has achieved in terms of reducing poverty and what China has done, China has done the lion's share of it. And also, China has developed in a peaceful way over the past 30 plus years, especially given the fact that China's national comprehensive capabilities has grown so much. Instead of trying to expand its territories, China

has been using negotiating its border agreements with its neighbors to make it clear that its borders are there rather than trying to overreach outside of the borders.

So China has been a [inaudible] country in that regard. Now people are focusing a lot of effort and energy on the Senkaku islands dispute and the South China sea conflict. Some people say that this is a clear indication of China's aggressive intent or expansionist tendency. But the problem is if you look at China's place, China's play has not exceeded what it has always played. Of course, China may be able to do better.

But the fact is, China has not played more than what it used to play for a hundred years, or maybe for decades. Now China is the number two economy if you use the most recent World Bank statistics, it becomes number one in terms of GDP. And its military spending has become number two so China despite the growth, has been a status quo power in terms of its claimed territorial place. But here people are talking about wild claims, some people say [inaudible] or the South China sea is China's little territory that's all. These people are not in the Chinese government's position.

I think China has played a positive role in the world peace and stability and prosperity. Since 2008, China's economic growth has been a major dynamic of the world's economy. China has helped the world to avert a great disaster. The U.S. probably should be more appreciative of what China has done, while China should be more appreciative of what the U.S. has done. If these two countries can be more appreciated about the other sides' good doings, we may have a more positive feeling about each other.

So that's on top of this mutual, strategic reassurance and possibly in the long run, we need to have more exchange especially at the people to people level. Now we have strategic dialogue, people also need to start paying attention to the third level of dialogue. That is the people to people consultation mechanism. So now both countries are pushing for more people to

people change. This is going to be helpful not only in terms of countries [inaudible] but also in terms of encouraging both sides to learn from each other and hopefully at one time we may see a greater level of convergence in terms of our view of the world. And also our political, economic institutional changes.

But at the moment, I think in addition to the mutual reassurance people to people exchange, we should also realize that this is a very difficult time for the relationship to be smooth okay. Why? Because China is changing, China is a country with dual identities and interests in many aspects. In terms of identities, China is both a developing country and a developed one, both a weak country and a strong one, it's both a poor country and a rich one, it's both an ordinary power and a superpower.

So if identity defines interests, then China has two types of interests in many aspects. So it's very difficult for the Chinese to figure out what their interests are, and as a result, their foreign policy practices become inconsistent and almost contradictory sometimes. Unfortunately, it happens sometimes when the U.S. and the rest of the world want to know what Chinese have in their minds, what are they up to, what's their grand strategy.

To tell you the truth, the Chinese don't know for sure. I've been asking my students to figure out what kind of world China wants to build if China has a chance. Nobody can answer this question, I don't know. I don't think everybody knows, maybe everybody knows but everybody has a different opinion as a result of [inaudible]. This is a time that is most likely that the two countries may have to take actions that get us into a set of interactions.

The U.S. can't figure out what China really wants to do, what the Chinese are up to. So when the U.S. adopts a policy, the Chinese think that the U.S. is [inaudible] in China and you have to realize that China has to adopt certain practices, then they feed each other. Then we have a negative spiral if it's not handled well.

So despite the two countries, or the two leaders having a positive meeting, despite the agreement on building straight power relationship, we still find a lot of problems between the two countries. The relationship now facing conflictual phase, what to do about it. In addition to mutual reassurance, I think I want to borrow Dr. Kissinger's wise remark. That is, "for China and the U.S. to handle their relationship well, the U.S. should learn how to adapt to China's rise. Whereas China should learn to appreciate the limits of its power." So both the U.S. and China, the Americans and the Chinese should be more patient, and more cautious in their efforts to handle the relationship. Okay, I'll stop here.

MR. QI: Thank you very much for the insightful comments and those wise remarks. Before I invite Professor Chu Shulong, let me just point out both of them have this link to Brookings Institution previously and both of them were fellows to the North East Asian Policy Studies in Brookings Institution. So Professor Chu.

MR. CHU: Thank you, thank you Michael for the book and [inaudible] available in Chinese for the audience here. For those of you who don't know Michael well, obviously he looks young [inaudible]. But he has been a very [inaudible] authority on military security issues of the U.S. for decades, many decades.

MR. O'HANLON: Kissinger's younger brother.

MR. CHU: So this is a really big opportunity for us, to listen to this presentation and read his book. Many of [inaudible] parts of the book [inaudible] I appreciate that this is good work, first that you talk about strategic culture, history, thinking, mindsets. I really [inaudible] this is fundamentally [inaudible] those students who took my class and Chinese international students. I

emphasize cultural thinking, philosophy, tradition in understanding everything about a country. I think this is a solid part of the book, understanding by revealing the strategic parts of the book.

But here I'm also have some doubts about it, like whether we can do it, we can do good enough to understand the culture, history, tradition, philosophy, especially for Americans. Because my philosophy and students who took my class know, my slogan is if you want to understand another country's policy, you must know the language and you must use the language. I also doubt whether Chinese are understanding U.S. English and using English. I know that a lot of Chinese scholars are working and studying in the U.S. and do not use English. Here, I doubt how many Americans can really understand China without knowing or using Chinese.

My [inaudible] of you do not read Confucius work like [inaudible] can you really understand Chinese, even us the Chinese. So what I mean here that we still have a lot of work to do understanding each other mindsets, traditions and philosophy. And here I want to urge that Americans to do much more of a job of understanding because Americans [inaudible] China might understand U.S. better than others understand U.S. because other countries for centuries, decades had to understand English, to study in the U.S.

See how many professors got their PhD degrees in U.S., how many American professors got their degrees in Chinese universities? So I see a future gap between these, and its important. Second, like the second part of the book, and Michael said what to do? With the title 'reassurance' Michael and Jim have used this term for years even before James Steinberg for years before the Obama administration, I think we discussed in Beijing, in Washington six or seven years ago.

The first [inaudible] of scholars, readers is that neither side should be quite certain about the other nor what can we do? Whether we can reach that goal. I know it's [inaudible] in the United States, argues that the U.S. does not need to make any assurances to the Chinese. U.S.

only needs to prove to tell China whether [inaudible] assurance. So there's a strong resistance in [inaudible] countries to reassure strategic assurances in our own countries.

Even we could argue that we need reassurance, we are still not confident whether we can do it now and in the future. And we must link current situations of day to day things and President Obama is not with [inaudible] and assurance to Japan and we see that America goes further to assure alliance Japan-Philippines in their relation to [inaudible] so we still see American leaders and officers have gone further away from making assurances with China.

So great assurance with alliance is a [inaudible] the possibility of reassurance between the U.S. and China so we perceive if we look at current situation, if the trend continues, we see two countries that are going further away from mutual reassurance with each other on the sovereignty strategic reassurance issues. That is fundamental [inaudible] but I still hope that our two countries do not give up reassurance, even two governments have not officially [inaudible] if we try hard to do it by [inaudible] here about the Chinese proposal, that is new type of major proposal between [inaudible] interpreted as Chinese efforts towards U.S. forget reassurance.

We are committed to have [inaudible] do not repeat this cycle but in my writing in U.S. and China works about relationships, even with support from [inaudible] I'm still doubting whether we can reach that goal. I'm still looking at the Chinese definition of Xi Jinping type of major relations, Chinese proposal for reassurance, strategic long-term reassurance. First the Chinese say we should avoid confrontation, President Obama and Xi Jinping agree that good relations are good.

Second, we have [inaudible] how to avoid confrontation, Xi Jinping's Chinese definition says we should respect each other's core national interests. I think Americans never agree on the political system of the Chinese Communist Party's role in a socialist system, Americans never really respect the Chinese political system or ideology. Americans cannot respect Chinese issue

with Taiwan, on [inaudible] island, on South China sea so those holes in national interest, Americans cannot respect. Instead about mutual benefits, it's about [inaudible] so each of us for decades has had intentions to have reassurance relations, stable [inaudible] even if we agree on the core principals, when it comes to fundamental issues then we disagree.

We cannot accept, recognize our fundamental flaws. For those specific proposals, we can try. You talk about the Cold War experience like conduct, [inaudible], open skies, we can try. My last point is about military [inaudible] here I agree with you that your comparison with American defense spending, included in the book you mentioned earlier, about the U.S. culture of military spending. But it seems Michael that you have [inaudible] about American strengths, [inaudible] seem like declining American defense spending is inevitable.

You talk about now it's 600 billion [inaudible] but we here see the U.S. might not be the only possibility, there are other possibilities like American economy's recovery becoming strong again. Most [inaudible] strong again, much more competitive. The US has always been competitive and strong, this is a basic strength. So while the economy is [inaudible] American [inaudible] is also increasing defense spending. Even American defense spending remains stable or decreases in the future, it is not only one concern of military spending.

Michael, here I'd like to emphasize that we Chinese [inaudible] defense military is not targeting the US, we are targeting Japan in the end, near us. So this is in here a concern because the US is about [inaudible] for us, yes it's a pacific country but the US did not have direct war with us like [inaudible].

So as you mentioned in your book, China suffered a lot in its history of humiliation, its not just humiliation its 35 millions of Chinese lives in a war with Japan. It's not just humiliation, it's a huge loss of life. As Xi Jinping talks about last week with professors and students, what [inaudible] not happen again. We must including in my article here at the School of Economics at

Tsinghua, [inaudible] Global Times a couple of years. We should not have the goal of becoming a military superpower, China does not need American type of military strength, we are [inaudible] we do not have a commitment to other countries' security.

We only have responsibility for ourselves. But in Asia we must have a strong military, stronger than Japan, than India, than [inaudible] because we are reasonable, and legitimate. We are the most populous country, the largest Asian country so we need defense to defend ourselves and not be killed, humiliated or loose lives as in the past 150 years. That is our real thinking, goal and target for defense modernization. It's not very much central about the U.S. compared with US military spending and level [inaudible] Japan, Indians [inaudible] policy for military spending. So I hope that Americans can understand. Okay let me stop here, again thank you for your presentation.

MR QI: Well I think, I hope that is a great reassurance to Michael.

MR. O'HANLON: Yeah.

MR QI: Let me say I wish we had more time for discussion here because we have many young scholars who might be able to answer Professor Jia's questions right. What kind of China, what kind of world you would like to live in? But you have many other questions, let's just immediately open the floor for questions. And please do identify yourself, and make your questions and comments concise, please. Go ahead right here, thank you.

MR CHRIS: My name is Chris, I teach at China Foreign Affairs [inaudible] I never do this but I will try to sink in three questions, two will be very very [inaudible] and one will be less [inaudible]. Number one, Mr O'Hanlon, do you yourself expect there to be war between China and Japan in the next ten years? Number two, what do you think the United States' response

should be to the declaration of [inaudible] in the South China sea? On your open skies initiative proposal, I'm curious. We've had a lot of indications not only in the past few months but also tonight. In the next few decades China's focus will be establishing or solidifying its regional position.

So I'm curious in terms of the distance between your position and Dr [inaudible] position, I'm curious which of the following would be more likely to push you towards the [inaudible] position: the position in your comment said in both Beijing and Washington, there will be an interest in [inaudible] core interests but I've heard several American officials at varying level say the United States makes no distinction between core interests and other interests, but you're using that same saying to me says you understand the ranking of what's more important.

As China becomes more powerful around the world, those other interests might also be important categories or possibilities for cooperation. So specifically, would you expect in the future the United States based on a position where commitments elsewhere around the world cause it to increase the burden sharing that might come from the maximized position of US-China cooperation might be? Or on the flip side of that, do you imagine some sort of demonstration by china's power as being a powerful benevolent force that would [inaudible] pulling back from the United States physically?

MR QI: Thank you, thank you I do realize we already have three questions. Let's see if I can take two more maybe and have them alter at the same time. Please identify yourself.

MR PETER: Yes, my name is Peter Petite, I teach at the affiliated High School of Peking University, my question is having been in the military myself before, what is known about China's commanding control at the tactical level that would perhaps keep a situation from

escalating. What mechanisms are in place within the Chinese military to ensure that things that shouldn't escalate don't escalate?

MR QI: And that question is addressed too.

MR PETER: I'm sorry. That question is addressed to Michael.

MR QI YE: To Michael, okay. Let's take one more before he can answer.

MR SIMON: Thank you for your time. I'm Simon from the Affiliated High School of Peking University and my question is: if China and the US could build a better relationship in the future, what do you think will be the turning point? Because as Mr. Jia said, China and the US are going with dialogue, will that make it better? Or will there be another turning point?

MR QI: A lot of questions. Michael which one would you like to start with.

MR. O'HANLON: Maybe I'll try a couple of them, and then maybe leave a couple. They're all very good and very hard. Chance of a China and Japan war in the next decade is higher than I'm comfortable with but probably not more than 10 or 20 percent. China-Japan squirms, probably earlier when [inaudible] happen, they increase the likelihood of war happening too. So even though I put the chances of a [inaudible] we are going to be on thin ice immediately after any [inaudible] to make sure it doesn't escalate. If I understood your questions correctly on South China Sea policy, and the role of the United States in that theory.

MR CHRIS: No, if China were to declare a war in the South China Sea.

MR. O'HANLON: Oh okay, I think this gets to your next question about which interests are greater and lesser, I think you know with air defense identification zones, we don't make a lot

of distinctions between one place and another. If it's international waters, that's the guide post that we have, it's to defend areas beyond twelve miles. Therefore, the playbook would have been written by how we responded to the first one, to the first approximation anyway. And then on China and could it be a global partner, could it even help in the United States or the longer term with the longer term security agenda, that would certainly be what I'd be hoping looking back on my career and reading some of the books at the time by some of the younger folks in this room, hopefully by the time they'll be writing to do that.

I think in the short term, realistically, what we have to do, and I want to do this in my next book. It's about a certain specific areas where we can work together more, and not just sharing in the grander [inaudible] yet. I'm not sure we're at a point where we can do that. So for example, as you well know, in the US military, humanitarian assistance and disaster relief are often in the same [inaudible] as missions that you have to do with capabilities anyway.

But I think partly because the world is getting so much more built up, and disasters can affect so many more people, and because we need to look for opportunities to cooperate, this may be an areas where the US and China can do a lot more and not just treat these as sort of areas where it's nice to take care of a few hundred thousand people for a couple of weeks if there's something bad that happens nearby.

But imagining industrial scale disasters even above and beyond the scale of the Philippines typhoon or the Japanese nuclear disaster or the Pakistani earthquakes. I mean things that could take out cities and leave all the people alive, take down the infrastructure for months on end. That kind of scenario is an area where the US and China can and should cooperate, that's the best I can do with answering your question. I think it's pretty much sure to know how much we can be partners in global security in a broader sense, we're not there yet.

And on the issue of tactical communication within the PLA, I guess one of the reasons we're not there yet is because again the US PLA military to military relationships are underdeveloped, and there are people who have spoken here, and my colleagues probably in a minute who can say more about the detail. Probably we only know so much, and don't have enough frequent communication with those different levels of tactical command, so I think that would be the main point I would want to make in what could be a full seminar in and of itself.

And then finally, on the question of what could be a turning point in the US China relations, and this builds on Professor Jia's earlier point to remember what we're already doing together quite well. To remember how much we've already worked together, depend on each other and to spend more time talking about it and driving it home, I'm not sure we need a turning point, if we can avoid crises and then keep building the gradual working improvements in relations, I forget your other point, maybe it was Professor Chu said that the US will have a hard time respecting China.

That may be true at a certain level, but I also think there are degrees of disagreement. To the extent that the one party rule becomes inclusive, then I think the US can continue to respect it more. That's just one example. We have a relationship that's headed in a good direction, but Jim and I are arguing that we need some reinvigorated effort to push some cooperation to the next level because there are some fundamentally new and more difficult dangers that arise as China gets to the next level of power. The old formulas, for example the hedging formulas as well as they used to. We need a paradigm and it's going to have to be mutual, and that will hopefully keep us going in a positive direction.

MR QE: And if you'd like to add.

MR JIA: Just one more comment, [inaudible]. I think I am more confident in military PLA obeying orders at [inaudible] than already guys in charge of [inaudible]. They are civilians and they don't have as strict discipline, they make [inaudible] higher than that is probably has less chances of escalation because it's civilian or it's supposed to be civilian.

MR QI YE: Okay, I think the conclusion is beware of the civilians. Yes, please.

MR. VASILIS: Thank you for your presentation, my name is Vasilis, I am the resident of [inaudible] and a student of the Tsinghua IR department. The book certainly is a product of strategic insight but there is a critique. The way I've heard you, is you presented a bipolar world, the United States and China, no other power in between. You did not even mention the biggest economy in the world, which is the European Union. [inaudible]

So I'm wondering, China is very clever, they're building the silk road which is a commercial road connecting Europe with China. I'm wondering how will it be possible for the US to reassure in the way the Europeans or attract the Europeans and together move to China. Because Europe right now is in a way pursuing a strategic opportunity to move away from the US dependency, this is something people don't really understand yet. But the rise of China has made Europe an independent actor. Thank you.

MS. XUEMIN: Thank you Professor, I'm a Tsinghua student majoring in IR and I just want to ask a very basic question. It's a common question of Chinese IR students, we just wonder why are the United States so nervous about China, what are you afraid of? Yes, from our perspective, China has a long way to go to be threatening to the US. Yes, politically we don't have any strong allies as the US has a network of allies around the world.

And, economically, China has a long way to go to be competitive against America around the world. Also, militarily, although China has been the second largest military power in regards to expense, we are still far behind the U.S. in terms of military expenses. We're just wondering, why are you so afraid of China? We have repeatedly claimed that we are rising peacefully but why don't you just believe us. We are just hedging against China instead.

MR QI YE: A great puzzle, thank you. Do I see some hands over here on this side? Yes, one more.

MR ANONYMOUS: I'm a student from Peking University in Professor [inaudible] 's class. I'd like to say that China has witnessed a stronger nationality in this year. Many people, even [inaudible] pushed by the US, does the US know how to deal with this kind of nationalism? Because most of the time, the government military [inaudible] but how do we think about public opinion? [inaudible].

MR QI: Let's see if we can address the three questions. Michael would you like to get started.

MR. O'HANLON: Sure thank you. Excellent questions all of them. On Europe, I think Hilary Clinton gave her last speech or one of her last speeches at Brookings in November of 2012 asking Europe to pivot with us to Asia. At which point I put my head in my hand and said, even though I'm a big Hilary fan, but not a bad idea always. It raises some of the questions you did as well. I think it's very important that Europe, as we're seeing the response in the Kremlin crisis, and in response to Iran's nuclear ambitions, it's very important that Europe and the US work together.

It's also a key part in answer to your question. I agree to the way in which you lined up the US position in the world. We have the best allies in the history of the planet, and the reason that we do is mutual, I hope others feel the same. The reason the alliance system works well is that we don't overdo it, so if we see a country like China that is doing incredible things, the Western world tries not to treat China as an enemy.

And yet if there's a future war that the Chinese government mistakenly begins, the western community of nations will be fairly unified in opposing that in some way. I think that's the very important strength of the western alliance system. It's not overly tight; it's a community of like-minded nations. And I'd say China is more a part of that community than not in most issues. So I'm not sure if that's a direct answer to your question but I take your point, that Europe's economy is huge, even though obviously Europe's economy is now collectively very troubled and challenged.

But there's no reason to forget in a global analysis that this book is about military competition in the Western Pacific, however, so that's my best answer to your question. But I accept your points and I also accept yours. You were very eloquent and I almost needed to say you answered your own question better than I could.

But I guess I'll say one more word. I don't think this book gives off the view that I'm afraid of China or that China should be afraid of the United States but I do think that when you have two colossal forces, the likes of your country and mine that are operating on a world stage and with territorial disputes in other countries in the region that have their own opinions as well, that this is potentially problematic.

Those of us who studied this field cannot afford to be complacent. It doesn't mean that we should be despondent, or fatalistic, that's why I began my talk an hour ago by saying why I wasn't fatalistic either. The United States has amazing strengths beginning number one with our

allies. There's one thing about America's strategic position that's probably the most impressive, it's our allies.

Secondly, our open immigration system, our open culture, open communications, make our market very appealing. And the fact that we're lucky enough to speak English when a lot of the rest of the world speaks English gives us an advantage. The fact that people can see how they can invest in our stock market and they can use the dollar for currency transactions, there are a lot of advantages that we have. So I don't believe in American decline, I think China's rising as the US continues to rise. China's rise right now is faster than ours but these are two incredibly impressive countries.

That means we have to worry about relatively smaller problems between them to make sure they don't get out of hand. I hope that's a useful answer. Finally on the issue of Chinese nationalism, if I understood your question correctly, but I'll speak to that. One thing Americans are also wrestling with is even if China does gradually liberalize the control of the Communist Party here over government, does that mean that the problems we see right now will go away? Or maybe Japanese and Chinese nationalism will clash even more?

We try to think about that, and I don't know the answer. Those of us who believe in this democratic peace theory, that established democracies don't tend to fight each other, well first of all, there are a lot of exceptions to that theory even if it might only be on average. Secondly, the literature tells us that when countries are evolving towards democracy, there is no particular guarantee of peace. I think when you put all this together, powerful countries changing politics in China, changing politics in the US, we have a black president, that is incredible, I would not have guessed it would have happened this soon. We have a lot of things in our country that are changing, you put all this together and yeah, we have to watch and worry about a lot of things even though we should do it from a position of fundamental optimism and hopefulness.

MR QI: Any follow-up? Let me just break my own rule and see if there are some final questions. Oh, right here. Please.

MR RAYMON: My name is Raymon Blue, Yale [inaudible] Center, I hope you haven't already addressed this but I was wondering what you thought about Chinese perceptions of the acceptability, how China perceives the current security architecture in the Western Pacific. And obviously that has to do with lines obligations, US role in certain territorial disputes that China considers core interests, the US military surveillance, a source of tension and so on and so forth. I was wondering what you thought about China's perceptions of that security architecture? Does it see that as something it can manage or ultimately hopes to revise and change? And if so, what is it willing to sacrifice in order to see changes made?

MR QI: Thank you, do I have a final final question.

MR VASILIS: One more. Conventional [inaudible] strike, how this influences the strategic relationship.

MR QI: Alright.

MR. O'HANLON: On that specific question, that's one of the areas of military modernization that we are calling on the US to be slow and restrained about. If you follow air sea battle literature, and here I'm using the old term because it's the literature organized under that concept. Some of it is fairly responsible, defensive oriented thinking. Other aspects of it are

offensive and global strike is one of them. There's a certain military logic to that system but it also threatens the interior of the Chinese homeland.

I actually think we're better off sticking with a lot of our shorter-range systems, making our bases more resilient and redundant. It also shows that we have a commitment to our allies, getting to your question Raymon, in a second. I prefer that approach as opposed to the air seas battle concept that says let's pull back, let's put more of our capabilities on bombers or long range [inaudible] long range missiles, and just use American territory as the more survivable place from which to balance China.

I actually prefer to stay engaged in the region even if it means that we're military more vulnerable with some of our forces. The basic vision, this gets to your point, is not that the US gets pushed out of the Western Pacific, not that we push China back into its mainland and away from the waters, but that we learn to co-exist, as two great powers doing a lot within the Western Pacific Region.

Meaning that theoretically, we are vulnerable to each other in a military sense. But that we establish a sense of strategic concept of what we're doing here. That both sides find acceptable. So that means we need to stay in the region indefinitely. That leads to your question, thankfully we have two Chinese scholars to actually say what China might think instead of the American's opinion, but since you asked me first, I'll let them correct my mistakes here. My instinct is that China has very mixed views, about the US military role here but in terms of a long term vision of what should replace it, I'm going to quote Professor Jia who said that China doesn't have a grand strategy yet it has a lot of change, turbulence, a lot of different views, even some contradictions in some of the thinking.

I would guess that would apply to the region's long term security architecture that we don't yet, Chinese or American, don't know yet what if anything should replace the current

system. This is primarily 5 or 6 strong bilateral alliances and a couple of regional communities like ASEAN or the ASEAN plus three, that's basically the architecture today [inaudible] for one particular North Korean issue. I don't know of a really compelling argument from Chinese or American or other vantage points that has yet laid out a real clear and persuasive alternative model.

My guess is over time, the Chinese would hope that there's an alternative because I think there's a part of the Chinese mind that thinks that these are somewhat [inaudible] and somewhat old fashioned, somewhat a legacy of the Cold War. But at the moment, they do help keep Japanese ambitions within check, they place some useful roles even though they can also have some negative roles. I find that just like on the rebalance, Chinese views are very mixed, and there's certainly not uniformly supportive of the latest alliances or rebalances. There hasn't yet developed a clear vision of what should replace the alliances, so it's sort of in a more tactful period right now.

MR QI: Let me just invite the terrific authors to offer some final thoughts or final words.

MR JIA: On the question of nationalism, I think Chinese should seriously reflect the growth of rising nationalism and the reasons why, it's interesting. You see very conflicting messages on this issue. On the one hand, you see people becoming very nationalistic especially on internet chatrooms, on the other hand, you see greater exchanges and communication between Chinese and foreigners. Many national Americans can [inaudible] the Chinese consumers make the choices, they don't place their judgment on the country of origin, of the product. They buy the things that are cheap and of good quality. So nationalism is a very interesting concept, especially in China at this stage.

So I think China has to [inaudible] as far as other countries [inaudible]. Finally, I think in the age of globalization, outsourcing is what everybody wants to do in terms of labour, in terms of [inaudible], in terms of capital, in terms of technologies. I think it's in the best interest of China and the US to ask of each other to make good use of each other's capabilities [inaudible] with own interests. This is probably to do so. For example, if the US could make best use of Chinese military capabilities, [inaudible] to maintain safeguard sea [inaudible] to do more peacekeeping operations, is good.

For China, if China can make good use of US military [inaudible] to keep peace, we can share the burden of maintaining world order and peace. [inaudible] common interests, I think people tend to see [inaudible] in terms of zero sum perspective but there are different ways of thinking about this. I remember [inaudible] Fleet, the commander in chief of [inaudible] US tried to, had an idea of developing a one thousand fleet navy, asking different countries to contribute to help maintain the sea [inaudible]. I think that's the long term idea, everybody saves some money by doing useful things instead of rivalry with [inaudible] out the [inaudible].

MR QI YE: Thank you. Professor Chu.

MR CHU: What I want to say is that [inaudible] of what does that mean. I think that people here can [inaudible] China see, and the encouraging side of US-China relations. [inaudible] many envision the [inaudible] for forty years since the early 1970s and Michael and Jim by definition, a one hundred percent Chinese expert right? But even when you're not [inaudible] or working hard to understand US-China relations, so [inaudible] current side even if we have huge differences.

All of these issues, there are a lot of people that have [inaudible] government and have business in a country where they engage, I think this is a strong side of US-China relations. I don't see a strong side of Japanese [inaudible] or the Philippines, in this sense, I think Michael and Jim have done tremendous job to [inaudible] developing strategic concepts [inaudible] that we could work on, build on, and we have so many [inaudible] so there's a reason for us to believe that we have [inaudible], we assure this relationship to have a long term relationship. Michael, [inaudible] DC for 13 or 14 hours to travel so [inaudible] relationship to understanding how much.

MR QI: Thank you Michael. Like Professor Chu said, Michael just flew a long distance from Washington, DC. Also to recognize that Professor Jia also flew from Hong Kong today, just one hour before this started. And Professor Chu I know had a whole day of teaching and meetings. In the beginning of this evening, I promised you a great evening of conversations, and I hope you agree with me that I've kept my promise with the help of the three scholars and also your participation, really appreciate this. Great subjects, great conversations, and if I may, let me also recognize my colleagues who have been working hard to bring this together for us. This handsome guy over here, Li Yuan, I want you to remember him and Shirley Zhou, and Mengni. Let's give them all a big applause. Thank you so much.

MR. O'HANLON: Thank you so much, and have a good evening.