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PANEL THREE

REGIONAL SECURITY IN EAST ASIA

CHINA-UNITED STATES RELATIONS UNDER CHANGING CIRCUMSTANCES: A TIME OF NEW BEGINNINGS

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Opening and Keynote Address: A New Pattern for Major Power Relations

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Keynote speaker:

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Panel 1: China-U.S. Relations under New Leaders

Moderator:

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Panelists:

Yuan Peng, Senior Fellow & Vice President, China Institute of Contemporary International Relations; CEAP Visiting Fellow, 2003-2004, Brookings

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Jia Qingguo, Professor and Associate Dean, School of International Relations, Peking University; CEAP Visiting Fellow, 2001-2002, Brookings

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Panel 2: Economic Integration in East Asia

Moderator:

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Mireya Solís, Senior Fellow and Philip Knight Chair in Japan Studies, Brookings

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Panel 3: Regional Security in East Asia

Moderator:

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Chu Shulong, Professor, School of Public Policy and Management, Tsinghua University; CEAP Visiting Fellow, 2006-2007, Brookings

Jae Ho Chung, Professor, Department of International Relations, Seoul National University; CEAP Visiting Fellow, 2002-2003, Brookings

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P R O C E E D I N G S

JIA QINGGUO: Okay, let's resume. This panel is going to talk about regional security in East Asia. Again we have a panel of distinguished scholars. First is Professor Chu Shulong of the School of Public Policy and Management of Tsinghua University. He's going to talk about China's vision of a secure East Asia. And then we have Professor Chung Jae Ho. He's Professor of Department of International Relations, Seoul National University. He's going to talk about the Korean Peninsula and the outside powers. And then we have Professor Wu Xinbo. He's the Director of the Center for American Studies at Fudan University. He's going to address the issue of maritime disputes and regional security. And finally, last but not the least, we're going to have Professor Michael O'Hanlon. He's the director of research for Foreign Policy program, and he's also a Senior Fellow at Center for Twenty-First Century Security and Intelligence at The Brookings Institution. Again, we are going to assign ten to twelve minutes for each speaker. Professor Chu Shulong please.

CHU SHULONG: Thank you. And thank you Xinbo and Richard for giving me the opportunity and the title they gave me, talking about China's vision of security for a secure Asia Pacific. And talking like the topic, my observation, the vision now is quite troublesome, the Chinese vision, on security situation: it's quite insecure. As I have observed and know, and most of the Chinese people, I mean, officials, academic scholars and the general public perceive that the East Asia security become much more serious now in recent years than a couple years ago. Tensions become higher almost every year in East Asia. The major factors cause those uncertainties and the troubles are as following.

First to most Chinese, it's because American rebalancing strategy, or pivot strategy, cause problems. And second, I think some, at least, some Chinese understand, too many other Asians, the serious situation is because the rising China, including rising Chinese economic power and military capacity and activity in West Pacific. So the words to define Chinese foreign policy security behavior in Asia, the best word is assertive, and this is the troublesome to them. Third is territory disputes among a lot of countries in East Asia. The fourth, I think, at least to Chinese understanding, is the right wing of the Japanese politicians, current government officials, leaders and these tensions within China and Koreans. So those are major facts or elements of the insecure situation in East Asia. Let me address some of them. First, the Korea. I think most Chinese understand Korea is a serious security threat to South Korea, R.O.K., and to U. S. But there's a different perception about the North Korea threat between China and at least South Korea and the Americans. And the Chinese see the serious situation in there's a skirmish between February and May when North Korea was crazy and provocative in their wording, threatening. Then Chinese president Xi Jinping and Foreign Minister Wang Yi issued a serious warning to North Korea. So that's a quite unusual in six decades. Those are strong words. But after that period, now from some tale, I think Chinese perception about North Korea or Korean Peninsula security become much more relax. So as of now, most of the Chinese do not feel the serious concern that R.O.K people and Americans have about the North Korea's threat now. We agree it's a problem, but we do see them,

North Korea, pose directly threat to China, to most of Chinese, or to the whole region, East Asia. Even they pose a serious threat to South Korea, a growing missile threat to U.S. So this is a different assessment about North Korea threat between China and the other countries in Asia.

And the second about U.S., I think a major concern of most of the Chinese about East Asia security is U.S. strategy. This a great concern. Like America increasing military deployment in Asia Pacific and American strategy targeting China and America position some words supporting or encouraging other country like Japan, Vietnam, or Philippines, in our territory disputes. And other, American continued arms sale to Taiwan. I think to most of the Chinese, for decades my research, my work, that we know that most of the Chinese, when they think about national security threat, of China, of Asia Pacific, first and most, that come to U.S. Most of the Chinese would regard, I think that including Chinese military; regarding the U.S. as the most serious, greatest security threat to China and that then to East Asia. But I do not agree with this perception. I think this is wrong. Because when we look at history, I think from this end of U.S., two hundred and thirty years, more than that, the history indicates the U.S. never -- there was only once the U.S. invaded, attack China. That is 1900 year. Boxer movement, U.S. joined other 7 countries in a short period of invasion of China. That's only once in more than 200 years of U.S. history. And after that, now is more than 100 years, including P.R.C. 64 years, U.S. never invaded, attacked China. I think we Chinese should respect this reality, this fact. Even in our minds we always think the U.S. is the biggest threat to us. But in fact, it's not. It has not been attacking China or invading China. So I think a core of Chinese people to think harder about their illusion, their imagination, about American threat. And the rebalancing strategy, I think we should take this as normal, because countries always try to balance others. Not only U.S. wants to balance us, we want to balance Japan, U.S. too. And a small country in South East Asia wants to keep a balance between U.S. and China and Japan. So I think that's normal strategy. So we should take as normal, not as something special. And we should see that why U.S. engage rebalancing in Asia for past three years. But at the same time U.S. relations with China have been improving. Political relations, economic, including military to military relations. So this is also fact. So we should recognize. I think it's quite normal for U.S. to see a growing China's capacity and influence, then try to deal with this new development. I think for any country would do that. That doesn't mean there's need [for] confrontation. For Chinese rise, that a lot of concerns our surrounding countries. Certainly there is something wrong perception like, I think eighteenth party congress and Xi Jinping leadership, foreign policy principle, has not been changed with the seventeenth party Congress and the sixteenth party Congress. This is still a piece of independent foreign policy, a piece of development of when we go, so as a guideline theory there is nothing new. But, we Chinese should recognize, there are some things change of our country, like the growing capacity, not only the economy, but the military. Growing military, not just the capacity, but the activity. See how many times our naval ships, fighters, going out in Western Pacific now, increasing numbers. Yes, there's nothing wrong for that. We take activity in the public sea and air, China did not, have not invaded any other country. But, if we must consider, if U.S. aircraft carrier, Japan is never safe, came sailing around our seas, what our people would think, what our news media would report. So yes, there's nothing wrong to have a greater capacity, activity, but at the same time Chinese leaders and government people should address

others concerns at the same time, and through CBMs, through code of conduct talks, code of conducts, through transparency to let others feel secure, so there's a lot of things China should do.

Last is Japan. I think there is a growing Chinese thinking and attitude which regard Japan as the most dangerous nation, the most serious threat to China and to Asia. I think that Japan is going to replace U.S. as enemy number 1 to China, to Chinese perception for security, for various reasons, good reasons. First the history - Japan did a horrible history to Asians and that has not recognized its wrong doing. They hesitate. And the second, Japan already, clear from Prime Minister Abe's words seems like, Japan is not satisfied with the regional and the global system set by the end of Second World War. Japan wants to challenge some more about the global and the regional system -- regional and global order.

And the third -- Japan is not satisfied with itself. It's a Constitutional constraint set by Americans, that want to change the Constitution. As the Constitution constrained about Japanese foreign policy and defense policy, military capacity, step by step. And the fourth should say Japan has a lot of advantageous strong points we should lend, but Japan also has weakness. I see that the national culture has a problem. That is isolated national culture, relatively closed, narrow minded mindset, and I say this with some evidence. Now, Japan is a democratic, free country, rule of law country, there is no doubt about that, strong country, advanced country. But the best, strong, advanced, democratic rule of law country cannot have good relations with all of its neighbors. Russia, China, Koreans. Japan has disputes, territory disputes with all neighbor countries. Russia, China, Koreans. For 100 years, Japan has attacked, even invaded all of its neighbors. So I think I call Japanese to think about it. Think about those basic facts, fundamental facts. And now I think it's nonsense for Japanese leaders, people to argue China's threat. Because for 2000 years, China was a strong country than Japan for most of the time. And there's never a time China invaded Japan. And Japan only has been a little bit strong or somewhat strong than China in the past 150 years. Then how many times Japan invaded, attacked China? So who is the threat to whom? I think this is crystal clear. So Japanese should stop their nonsense. To quote China is a threat. When in fact it's not. Its Japan is a threat to China and to other countries. But I'm not saying every Japanese, including my colleague up here, is a bad person, no, a lot of Japanese individuals are good. Especially those, my Japanese students at Tsinghua, they are good. But as a whole, I do think Japan has something to think about, your culture, your integration with the outside world, including Western countries, Asian countries. Should have fundamental thinking about your relationship long term. Yes, thank you.

DR. JIA: Thank you very much Professor Chu. And next speaker is Professor Chung, please.

JAE HO CHUNG: Thank you Qingguo. I'd like to start by echoing what others have said about organizers, efforts by Xinbo, Richard, as well as Kevin and other members of the staff on both sides. I was asked to talk about the Korean peninsula and outside powers. I think I have taken up the boldest assignment than anyone else.

Let me first talk a little bit about America's rebalance to Asia as a sort of a structural, strategic environment for the Korean peninsula. I know it's not about a choice between Asia Pacific and the Middle East, or between the Pacific and the Atlantic. I think it's more about the America's design to use its pre-eminence to shape the future order and in order to construct a more friendly environment for U.S.-China relations, so as to minimize the conflict between the two.

But at the same time, many countries in the region, I think most countries in the region, tend to see the rebalance as potentially alarming because it's also inviting some reactions on the part of China. On one hand China's so-called taking a moving westward or xi jin, so filling in the vacuum created by the United States in the Middle East and West Asia. And on the other hand China is also employing a sort of appeasement tactic called the new pattern or model of great powers. I like Qingguo's translation better than Foreign Ministry's. After all, I think all these action, reactions on the part of U.S. and China, creating a stage for a fierce -- more fierce strategic competition between the two. And I think that strategic competition is taking place at least at five different levels.

On the diplomatic level, the U.S. is continuing with its emphasis on alliance making, consolidating alliances and making new friends in the region. On the other hand China is emphasizing peaceful rise. In other words, the end game of its rise will still be peaceful, not only in its process, but also in its outcome.

In terms of a strategic area, the U.S. is emphasizing pivot to Asia, but China is continuing with its peaceful rise as if U.S. rebalance is unnecessary thing for the Asia.

On the economic side we have talked about TPP versus RCEP.

On the military side, U.S. has been emphasizing air-sea battle as a concrete measure to counter China's strategy of anti-access area denial strategy.

And on the area of value, the U.S. emphasizes universal values as opposed to a peculiar, specific value as applicable to a particular country, that is espoused by China.

So American people on one hand are reassuring to the region, which is to a certain extent concerned about the future affiliated with the rise of China, or rather, a fast rise of China in the region. On the other hand it's alarming, because it is creating a stage for more fears, strategic competition between the two. On the other hand there is another dimension to it, that is smaller powers and middle-sized powers in the region are concerned because if U.S.-China relations get too good, then what is called the daguo xietiao or great power concert, may bypass the intentions of many smaller powers. And I think that sort of sentiment is particularly prominent in Korea, which has experienced a lot of that in the last hundred years.

Now let me talk a little bit about the regional dynamics that revolve

around the Korean peninsula -- first North Korean issue. Twenty years ago, a lot of people asked questions about whether North Korea had the weapons-grade plutonium or not. Ten years ago, people asked the question about whether North Korea had two to three or four to five nuclear warheads. Now nobody asks that kind of question. Everybody seems to take for granted that North Korea is a de facto nuclear weapon state, whether U.S. gives that status to North Korea or not—that doesn't really seem to matter anymore.

Is time on our side? I think many of the countries in the region act as if time is on our side. But I don't think time is on our side. I was in a seminar recently where the Dr. Siegfried Hecker, the former director of Los Alamos Laboratory, he said CVID is no longer a possibility: a complete, verifiable, irreversible de-nuclearization is not a possibility any more, unless you kill everybody who was involved in the program. You cannot do that. So North Korea can always go back to the stage one, stage two and then carry out the (inaudible) tactics all over again. So where does that leave South Korea? And I think this is the question that we need to think seriously about.

Obviously in the first session, Six-Party Talk, was the only alternative that we have, that might be the case, but the question is whether the model of operation of Six-Party Talk was reasonable or China was acting as the honest broker, as the chair country of the Six-Party Talk. A lot of Chinese friends tell me the Chinese position on North Korea nuclear position is *bian lian bu fan lian* (變臉不翻臉). So you change the color of face, but you never turn your back away. So if that continues, I think North Korea will never learn a lesson. I think five years, ten years down the road, I think we'll have a very serious problem, probably more serious, which we can never be able to resolve.

Now the Japan issue. Ten years ago I would probably disagree with what Chu Shulong said. But at the point of 2013, I tend to agree with Chu Shulong to a considerable extent, because ten years ago I think the so-called rightist, the ultra-rightist politicians belonged to a small segment of Japanese politics, but they don't -- they are not a minority segment any more. They are mainstream and major players in Japanese politics. And let me share with you one piece of very important statistic, that I think important. The percentage of high schools in Japan which adopted rightist, or ultra-rightist textbook was 0.04 percent in 2000. Last year the percentage was 4 percent so a hundred fold increase in twelve years. So what is happening here? I think the NGOs and intellectuals in Japan are not performing their duties well. If that continues, maybe in five years, ten years from now, it's 14 percent. Of course, some people say 4 percent very low, 14 percent very low. But those 14 percent people, young people, will never grow up learning the right history. So when they take up the important decision making duties in thirty years, I think Asia is in deep trouble. That's my view.

Now China. Korea-China relations hit the bottom two years ago. And since 2012, which was last year, was the twenty year anniversary of China-Korea normalization, so the new atmosphere began to set in. And then the atmosphere completely changed in June this year because of the Park Geun-hye-Xi Jinping summit. So now high expectations, high hopes, very positive signs, as if everything's all right. But

let's not be deceived. Because I remember the first year when Kevin Rudd became the prime minister of Australia and he was the first Australian prime minister who could speak Mandarin. And a lot of people talk about in Korea that Park Geun-hye is the first Korean president to speak Mandarin. But I don't want Park Geun-hye to end up like Kevin Rudd. So let's not be deceived by what is happening.

Now the United States, two issues. The United States' recent sequester, government shutdown, are creating an enormously negative image in Korea at least. I don't know about other countries, but one headline in a major newspaper said "hegemon on decline." "They are even shutting down the government." Whether or not that is true, or whether or not it is important, it is creating an image, and a lot of public opinions -- I mean, democracies feed on public opinions. And public opinions actually create and influence foreign policymaking. So let's not forget this.

And another thing is territorial disputes. United States is not an innocent bystander in many of the territorial disputes in East Asia. Let's not forget the contents of the Treaty of San Francisco in 1951.

So I think-I forgot the name of the author-but there was a very good article in Foreign Affairs in [2007], written by a former journalist, but it's entitled "The Politics of Memory," in Foreign Affairs in [2007]. It reminds many people, not only in the States, but in many parts of Asia, of what we need to think about at this particular point.

So I know, in conclusion, I know politically it is much more beneficial to be on the optimistic side, but I would like to end with a rather pessimistic note. Overall I think the uncertainties and de-stabilizing factors far outweigh the positive signals despite what has been discussed in the previous sessions. And what can East Asia do? Or what can Northeast Asia do? What can multilateral and minilateral networks play in this era of crisis? As I see, there are four minilaterals: U.S.-China-Japan -- it's not working, it's not even present. Korea-U.S.-Japan -- two alliances and one partnership, or some people say it's a virtual alliance, but it's not working because of the problem that I mentioned earlier. And even if it's working, Korea-U.S.-Japan minilateral only work on hard security issues. Next one is Korea-China-Japan. A couple of years ago, a Trilateral Cooperation Secretariat, a TCS, was set up in Seoul. But they are only working on soft issues. They do not dare to venture into a hard security issue, so it's not working very well either. The only remaining option is Korea-U.S.-China. But will U.S.-China consider Korea as a equal partner in this? So perception is -- perception issues is probably the most important impediment in this.

Down the road, the biggest question is whether the American -- despite all those good things talked about today about U.S.-China relations -- will American exceptionalism be reconciled with China's sinocentrism in modern day version? If yes, then we're all at ease. If not, the question is, every country and most countries in East Asia will be asked a very uncomfortable question -- that is, are you with us or against us? And no country in the region will like to be asked that question. So I think which of the country ask that question first will be considered as a greater threat to the region , so I would like to end with that, sort of pessimistic.

DR. JIA: Well thank you very much Professor Chung. You raise a lot of questions and I realize that for every question, your answer seemed to be no. Okay, now Professor Wu.

WU XINBO: Thank you, Chair. Good afternoon everyone. My topic is regional disputes, maritime disputes and regional security. Well, as we all understand the maritime disputes in East China Sea and South China Sea have very complicated historical as well as domestic political factors. But I'm not going to expound on those factors, but rather, to analyze from the perspective of regional security in East Asia.

So from a regional security perspective, I think first and foremost these disputes represent a reaction to the changing power balance in this region, real or perceived. If you think about the Diaoyu island dispute between China and Japan, when China was weak and defeated by Japan in 1895, Japan took it away, right? Brought these islands under its control. And today, when Japan decided to so-called nationalize the Diaoyu islands last year, that was a reaction to perceived rising China, because Japan's concern was that China is rising and is expanding on the maritime, so Japan should take some preventive actions to prevent China from undermining Japan's so-called de facto control of the Diaoyu island. So in both cases, Japan's action represented a reaction to the power balance in this region, one, the first one, was because of a weak China, and the second one was because of a rising China.

The same applies to South China Sea dispute. The disputes over South China Sea cropped up in early 1970s, but the status quo has been able to be maintained over the last several decades. Why suddenly last several years this become a hot issue? A hot and hottest issue? I think partly because some other countries like Vietnam and Philippines -- they perceive a rise in Chinese activities, both naval and civilian in this part. And their concern is that time is on China's side. So if they just keep shoving the disputes to the future, maybe they are losing their bargaining chips. So instead of deferring this issue to the future, they would like to push for some kind of solution of this issue, so that at least, they can keep what they already have in South China Sea. So again, this is also a reaction to the perceived rising China.

The second factor I think is related to the major power strategic level between China and the United States. Because the intensification of the disputes coincided with Obama's rebalance to Asia strategy, this was not just a pure coincidence. I think the United States does want to use those disputes, especially the South China [Sea] disputes to constrain China's expanding perimeter of maritime activities in recent years, especially in South China Sea. So this dispute is not just the pure territorial or sovereign dispute, but rather have involved the major power strategic rivalry in this particular region, so that further complicates the situation.

The third perspective is I would call the "growing pain" of a rising China. In the last several years, China openly declared it wants to turn itself into a major maritime power, *haiyang qiangguo* (海洋強國), especially if you look at the working report of the 18th Party Congress. So this kind of goal does have some impact on China's

policy. For example, in the past even though China claimed sovereignty over Diaoyu island, or the South China Sea disputes, this claim was largely rhetorical. China didn't do much things, do much to endorse those claims. But, in recent years, I think China thinks it should do more to assert its claim. And also, in the past, China maintained a kind of unilateral self-restraint. For example, over the Diaoyu Island, we wouldn't allow our activists to go to the area and we wouldn't send our law enforcement boats to this area. So that's what Japan called the de facto control by Japan. This kind of de facto control by Japan was based on China's unilateral self-restraint.

But now, China, partially in response to Japan's so-called nationalization of the islands, decides that it's no longer feasible to proceed with unilateral self-restraint on those issues. So China has become more active and formal in protecting its rights in those areas in both East China Sea and South China Sea. So that's the perspective about those disputes.

So the second point is what are the implications for regional security? Well, even though there are some, a lot of, worrisome factors getting involved in the old issues, I mean the disputes are old issues, but I don't think this will cause large scale war and major military conflict between China and other claimants, even though some friction, even small scale, low intensity conflict, may be inevitable, either intended or not. But I don't think war would be likely, simply because all the related parties, in my opinion, are either unwilling to fight, or dare not fight, or both, including the United States. I don't think the U.S. is ready to fight for Japan over Diaoyu islands with China, or the Nansha Islands for Philippines with China. So if none of the parties is willing to fight or dare to fight, then you don't have to worry about large scale military conflict. However, as I mentioned, some frictions and even small scale conflict may occur as a matter of unintended actions.

What I am more concerned is the second implication -- that's for regional stability and political security relations among regional members. First, these disputes already have some negative impact on China's relation with Japan, with Philippines, with Vietnam and even with United States. Especially, I think, China-Japan relations suffered most. Five years ago, it was unimaginable that overall China-Japan relations will somehow become a hostage to a small, barren, useless, no-value island, right? So that's unimaginable. But today it is just the situation. And also, China-Philippine relations, at least political relations, were also strained over the last several years. China-Vietnam, originally strained, but we have seen some improvement recently. And finally, China-U.S. certainly, the maritime disputes have become a issue on bilateral agenda.

The second dimension of the impact is of course, the U.S. has been able to expand its security cooperation with its allies and as well as with its security partners. So to some extent, the U.S. took advantage of these disputes to repair its security ties with two allies - Japan and ROK and then, even Philippines, and then expanding security ties with other region members such as Vietnam, Singapore, and even India.

And the third dimension is that the regional countries' members -- Japan, Vietnam, Philippines, Australia -- they have strengthened their security relations,

partially in responding to a rising China. So when Shulong talked about this kind of major power balancing, what's interesting is that in the past, when we talk about balancing China-U.S., China-Russia-U.S., China-U.S.-Japan, but now you see a kind of indigenous balancing among the medium and small countries against a rising China, partially facilitated by the maritime disputes. So if this is going to be a major structure change in regional security landscape, it will have a lot of long-term impact on regional security.

The third point is what can we do? What can we do? We cannot just sit here and talk about these issues and be pessimistic. Let's try to come up with some ideas about how, if not solve these issues, at least if we can manage those issues. First I would say we should be rational. We should be rational. The nationalism is high in this region, in almost every country. So not to be hijacked by nationalism and also not to use this issue for the purpose of domestic political agenda, because you know some people suggest -- why is it so difficult for Japan to acknowledge there is a dispute with China over the Diaoyu islands? Well, people say, maybe just Abe wants to maintain the tension over this issue so that he can push his domestic agenda of constitutional revision, so that's exactly what he needs. So if that is the case, I think it's going to be hopeless.

Second, we should be cautious, even though, as I said, there is unlikely a major war, but the conflict is still possible. So even though we have high rhetoric, but we still have to be cautious in actions, not to allow unintended conflict and frictions to occur because they may escalate out of control on certain circumstances, not to say if one party really wants to move events in that direction.

The third recommendation would be, we should be flexible. Some of the issues involve two sides. Then let's stick to a bilateral approach. Some of those issues, they involve more parties. Maybe we can try a combination of both bilateral and multilateral approaches, as long as they work, the format doesn't really matter.

So recommendation number four is that we should be creative. I have been thinking about the difference between land dispute and maritime dispute. And the big difference is that for the land dispute, you can just simply draw a line. It's easy. But for maritime dispute, that's difficult. You know, fishes, they move around, right? You cannot stop fish from crossing the line, which doesn't really exist. And also for the oil and natural gas, I mean they are interconnected. If you drill from this side, you get from that side. So maybe for these kind of issues, instead of dividing, we should explore some joint cooperative approach to this issue. And even for some issues, we should get beyond the traditional concept of sovereignty. And sovereignty is just a historical phenomenon. It's not something permanent.

And finally, especially relations for, relations between, major powers, including China-Japan, I think we should be very clear that the benefits of cooperation outweigh the cost of confrontation and conflict; so that means we should not allow overall bilateral relationship to become the hostage to a single, useless island. So it's really up to the political wisdom, but also a willingness of the two leaderships to make the right decision. So with that, I'll stop here. Thank you.

DR. JIA: Okay, thank you very much Professor Wu. Now Dr. O'Hanlon.

MICHAEL O'HANLON: Thank you all, and I have the great job of being the last speaker of the day, and we're going to have a great conversation I know, in just a few minutes. It's been a real treat to be here all day. I want to, as my colleagues have, thank our colleagues, but especially the Fudan University and everyone else who has hosted us and been so gracious and it's just a great experience to be up here with all three of you as well. I am going to begin however, having said all of that, by a couple of small disagreements with Chu Shulong and Professor Chung just to spice things up to get ready for our conversation, although I very much appreciated their arguments and generally agree.

But I would just say a couple of things, and I'll begin with this newspaper article in Korea that suggested that the Unites States is in decline. A lot of us are very troubled by a number of things that are happening in our country. But I'll just remind you, at the same time, that we are still spending 4 percent of our GDP on our military, which by the way is a higher percentage than any other country represented in this room, by quite a bit-and that's mostly a credit to you. I don't want to encourage more spending globally, but I -- and we're trying to bring ours down, but 4 percent of a $16 trillion GDP is still a lot of money.

Now you may say, well that just proves that Americans are warmongers. I would remind you that much of the world might have disagreed with specific decisions about our policies on war in the Middle East, but nonetheless, we are taking on, in Afghanistan today, a threat that most countries recognize to be a threat. And I remember once when I first got off a helicopter in Helmand Province, Afghanistan, and it was about 110 degrees and it was desolate as far as the eye could see. Much worse air than the worst day in Beijing, I promise you, sand in my face, and I got off with a couple of friends. So we just looked at each other and we said, "this hegemony isn't what it used to be." And so, anyway, I'm making a couple of points here.

One, that we're still pretty strong and committed. Two, that I hope it's partly in service of goals that many countries would agree with, and I know that you really haven't disagreed with that main point, but I just want to remind you of that. Also, since we don't have a lot of Japanese friends here today-we have a couple, but we don't have a lot on the panels to defend themselves-I will, even though I have some concerns myself about certain aspects of Japanese behavior, I will still remind everyone that they're only spending 1.02 percent of their GDP on their military now, after the big Abe buildup. And they have done quite well since World War II in their general policy of strategic restraint. And I think it's become a durable part of their political dialogue and system. I understand your concerns at this table. I'm not suggesting that everyone has, or the Japanese have been faultless, but I do feel a need to make at least a brief note of defense of our good ally and all of our good friend.

Finally, on the point about not asking to choose sides. Professor Chung made this point, that it's better not to ask, and I agree. But I also think that we've learned,

and there are people who, including, I'm sure, Professor Chung who understand the history of U.S.-Korea relations better than I do. But in 2005, the Bush administration asked for a so-called strategic flexibility in Korea, which was not necessarily asking the Koreans to choose sides in a future war, but we realized even that language was probably more than we should repeat. And since that time, as I understand it, we haven't really reused that expression. And so I agree with you. But I think it's actually the policy of the United States to try to live up to that standard that you mentioned, of not trying to create any more zero sum competitions than necessary. Okay, having said all of that, now if I could, I would like to say a couple of -- one last thing on budgets, I'm sorry.

This is just by way of making some of the points that have been raised earlier. As much as we have tried to rebalance towards the Asia Pacific in some ways, we have been cutting our defense budget in others, and I've actually tried to do the math to compare the effects of increasing presence in the Asia Pacific through the rebalance, while simultaneously decreasing it because of defense budget cuts in the United States. And my overall arithmetic is: they roughly cancel out.

In other words, the rebalancing is more about a reaffirmation of American interests, a reengagement of our intention, than about any substantial re-alignment of our military capacity. It's a point that Jonathan Pollack made this morning in specific reference to the Marines in Australia. I think he was a hundred percent correct. And I would just like to reinforce that point. So for some, that may mean we're not doing enough; for others it may mean that we've done too much. But I would just like to argue, it really is not very much in military terms. We can talk more about that later if you wish.

But now I'd like to make really just six points that are coming out of a book that I've had the great privilege of writing that's almost done now, with former Deputy Secretary of State Jim Steinberg. And as you know, Jim Steinberg, a friend of many of ours, a former boss of Richard and mine at Brookings, and now the dean of the Maxwell School of Syracuse University, was quite involved, as were Jeff Bader and Ken Lieberthal and Richard and a number of others here and elsewhere in America, in Asia Pacific policy over the years.

And Jim came out of his job nervous about the U.S.-China relationship. I think he may be a little closer to this panel than to the morning tone. Although I will let him speak for himself when he next visits Shanghai. But in any event, the book's goal-and we call the book "Strategic Reassurance and Resolve"-and so that comes partly out of the speech that Jim gave in 2009 when he was deputy secretary, and part of the goal is to look for ways for both countries and their partners and allies, to figure out how they can sort of dampen the competition between each other, without expecting either side to give up on its resolve in defense of its commitments. So we're looking for ways to stay strong, not just for the Unites States, but for China, but to do it in a way that tries to take a little bit of the edge, a little bit of the energy, a little bit of the arms race spiral dynamic out of the competition.

And I agree with a point that Richard made this morning, as well as the President of the University, in saying we're going to need a lot of good ideas on how to

do this, and other things in the relationships ahead, because Jim and I do not claim that we figured it out. We have about twenty recommendations in the book, but they're all designed to take inching baby steps or moderate steps towards this goal of strategic reassurance. None of them will be adequate and you won't even like all of them, so let me now just mention a few of them, in the spirit of trying to get some ideas on the table. And we think this is going to be the sort of thing both sides, and American allies and Chinese partners, will have to look to try to do as well. And in the interest of brevity, I'll perhaps not fully explain them with apologies in advance.

Let me begin by saying there are a number of -- before I get to my six, my list of six -- there are some ideas here that we think are useful but not particularly big ideas or not particularly dramatic. One would be to build on the idea that Xie Feng mentioned this morning about the negotiations on how our militaries interact when they get close together and we would suggest building on the U.S.-Soviet Incidents at Sea Agreement, and maybe even using that as an exact model. Another example of where we could at least begin some small momentum is in military operations in space and we would suggest that both sides would agree not to have any explosions or collisions above 1000 kilometers altitude. Both of our countries have sometimes had to cause explosions or collisions below that altitude. Perhaps we will again in the future. If a satellite fails or if a missile defense system needs to be tested, there's no need to test above that altitude and we all benefit by keeping debris out of space, because we all need to use space for commercial and scientific and military reasons, and so this is an example of an arms control agreement that could be generalized to other countries as well. It's not a big deal, but we think that it would be useful.

Now let me get to some of the ideas that may be perhaps a little bit bigger. And I'll begin with the ones that are probably harder for my country, but I'll work towards ones that are a little, perhaps, harder for China. The idea of the book is not to try to punish each country equally. The idea is to look for ways in which each country can make positive steps without in any way reducing its own commitment to its core strategic interests.

So on air-sea battle-and here I do agree with the Professor-this idea was not a bad idea in military terms but it needs to be sort of improved. It needs to be refined. I think our Chinese friends have an understandable objection to a doctrine that sounds a lot like air-land battle, which was how NATO faced down the Soviet Union and the Warsaw Pact during the Cold War, even though Americans argue that it's not directly aimed at China, everyone knows that China has the greatest capabilities of an anti-access area denial capability, and therefore this American argument doesn't really work completely. And so we would suggest again, being very brief, renaming the concept to "air-sea operations," trying to include other countries in as many of these operations as possible. If we're going to use this as a new innovation in how we think about global maritime operations, let's try to make it a more inclusive concept where possible.

And then finally, we also suggest not buying additional large amounts of American long range strike capability. This is a debate that some of you may be familiar with in terms of the American community that believes in deep strike, so doubling our

bomber force or putting weapons in space, or other ways to be able to do long-range strike. Jim and I prefer to keep long-range strike capability roughly at current levels. So that's just a couple of ideas.

Second idea, on the issue of reconnaissance-of how close we come to your country routinely with our war ships and our reconnaissance aircraft-we have a couple of ways to address this. We think that the reconnaissance has to continue. But we think the Americans should go out of their way, out of our way, to reassure you that, first of all, we're not using assets to do this that are any more armed or dangerous than necessary, so we would encourage some transparency measures, so you can see that most of the planes we use, for example, are not routinely armed.

And then secondly, we would propose an Open Skies Treaty, like the U.S.-Soviet or the NATO-Warsaw Pact Open Skies Treaty, where China would be invited to fly reconnaissance aircraft over American territory on pre-designated flight paths just as we could do over your territory. We're very accustomed to doing this with the Russians. We still do it with the Russians. It's not an infringement on anyone's sovereignty but it creates a little bit more of a parallel equal approach that I hope would perhaps begin to reassure some Chinese concerns.

Third point on Korea -- and I could spend a lot of time on this, and I know a lot of people have thought about this -- but in Korea, we think that the United States needs to think about its war plans. The U.S.-ROK war plans may need to-to the extent our Chinese friends would have some consultations with us about this issue-should try to include China. And if there were, heaven forbid-and I don't think this is likely-but if there were another Korea contingency, we believe the U.S. and ROK should think about inviting China to help, and in other words, even coming into the northern parts of North Korea to help with the management of displaced populations, possible movement of fissile material, but with the understanding that once the war is over and assuming that Korea at that point has been re-unified, that both Beijing and Washington need to listen to Seoul. Only Seoul gets to decide whose forces might stay afterwards. And if Seoul wants the Americans to stay in modest numbers beneath the 38th parallel, that the Chinese side would accept that as a possible outcome, but none of us have to pre-judge that now. There's a lot more to say about the Korea issue, but I basically think it's an area where we could have some useful consultations, understanding Chinese sensitivities about not wanting the North Koreans to be offended by this conversation so we might have to find some indirect ways to hold it.

Okay, I've already gotten close to my time, so let me just mention one idea on the China side, and this, frankly, may be -- well, I'll mention two. The first is, that as China's military budget now approaches $200 billion if you convert to American dollars-somewhere between $150 billion and $200 billion a year-and then the Chinese economy continues to grow in the years ahead and perhaps China's military budget reaches roughly a $300 billion level by 2020, if you stay on the current trajectory, we would suggest to China that you perhaps think about that as a reasonable place to start slowing down. And we explain why in the book, but it really boils down to the simple argument that the United States and China have similar interests in the Western Pacific,

comparable interests, but the United States continues to lead the international effort of protecting Persian Gulf oil, which is a benefit to everyone, including China. And therefore, we have more global responsibilities at the moment, so we're suggesting to the two sides -- for the United States, we have to accept that China is probably going to get into that range of close to $300 billion, but for the Chinese side, if you get there, and once you get there, to think about slowing down the pace of your modernization, if you haven't done so before. I realize that's a little bit of a nuanced argument, but we explain the rationale in the book.

Last idea-and maybe this is the most provocative, although it's not particularly radical in one sense-but we would suggest that if as part of this entire package, China think about demilitarizing its threat to Taiwan. In other words, this is a longstanding issue of U.S.-China disagreement, but we think the United States can help by clarifying the steps that we would take if Taiwan ever did try to declare independence, and people like Richard Bush have a lot of experience on this issue. And Jim and I are suggesting that we can try to talk more clearly and even more explicitly with Chinese friends about how we would never accept a unilateral declaration of Taiwan independence, but at the same time, that China should think about demilitarizing what it would do in the event that Taiwan made that step. And so, if and when that could ever happen, of course, Taiwan arms sales become a much easier issue and so do a lot of other things as well. That's a big topic to end on in a very abrupt way, but I'm going to apologize and try to at least hew to the time restrictions and look forward to the conversation.

DR. JIA: Wow. Thank you very much. We are very efficient as a result of the self-restraint on the part of our distinguished panelist. Okay now it's question period. Yes, Professor Matsumura.

QUESTION: I didn't expect that Japan is a big topic on this panel, and I felt as if I am tried without presence in chamber. So I don't have any particular question, but please give me some time to respond and to give my comment. I think the U.S. and Japan has shared strong values and commitment for stability and democracy here. And then I'll say Japan has so far very much [been] satisfied with U.S. hegemonic position in the region, but given the U.S. fiscal and financial predicament, we are not very much one hundred percent sure what the U.S. can provide for us. But we have never doubted U.S. intention to do their best but capability side we have some questions. And that's the reason why I think Japanese government has marginally improved the military capability, so we have a slight militarization without militarism.

For us China is a potential threat, if not threat, because we see the strong power between what Japan was in 1930s and the 1940s and today with China. China entered belated modernizing moment in which it says it has a strong sense of nationalism and it has a so-called strong army, a strong economy and a strong army, and then a seemingly weak civilian control over the military. That's exactly what we had experienced in the end of the pre-war period. So we do, I do share China's concern, because fear against Japanese is innocence a little bit because people always think about what would happen in the future based upon the experience in the previous war.

We had a very good relationship with foreign countries, with a note of exception with two immediate neighbors -- China and South Korea. From discipline, we rightly share our understanding is that we did contribute to the Asian, South Asian countries because without Japanese fighting, this country would not be getting independent. At least it accelerated the process, including Philippines and the U.S. colonial control.

And finally, about South Korea -- there is a strong, big, emotional and historical cultural baggage on both sides, and I don't like to argue about that, but standard Japanese standing with South Korean policies that it is shifting its focus to China. Its economic relationship with China is now at least qualitatively if not quantitatively, a larger than that with Japan. And then, so we have to demote our relationship with South Korea, not as a country with sharing the same freedom and other free values, but it's based upon history, based upon strategic interest, but given the South Korean shift in the focus we see that it was never doing anything from the Japanese and U.S. side, South Korea is eventually getting under Chinese orbit. And we got to very much have a very strong, very serious discussion with Americans on what to do about if that happened in the region. Maybe that's enough. Thank you.

QUESTION: Thank you Mr. Chairman. I'd like to talk a little bit about this six party talk and how to deal with North Korean nuclear issues, you know? Because you people from U.S., people from China, say that we have to do something about this North Korea nuclear issues, but so far, there's no way out. There is a reason why we have failed. We have tried last ten, twenty years to persuade North Korea, sometimes by providing a lot of incentives, sometimes through a lot of penalty or adding penalty, but we all failed. I think there is one fundamental reason why we all failed; our efforts have been all failed. That is, we tried to change the behavior of North Korean regime without changing the very nature of North Korean regime. You know, you didn't do anything really serious about changing the regime itself and try to only change their behavior. But it all failed, you know? Because I think the nuclear issue is a matter of Kim's family survival. So no matter how high price you put on the nuclear, on them, I think they will not give it up. Unless they are ready to take some risk of regime survival itself. Otherwise there is no way out. So what we need is we need new approach and new goals. We need new thinking and new goals. That's what I want to say -- just going back to old story, old solution, it doesn't work. We know this. So I sometimes raise the question to myself, that whether really China and U.S. is really serious about this denuclearization issues. Are they really serious about it? I agree with the Professor Chung's argument that time is not on our side. At this very moment when we are talking about these things here, North Korea continues developing their nuclear capacity, capability, you know, stronger and stronger. So the time is not on our side. I think if you are really serious about the peace and prosperity of this region in the future, I think you have to be more serious about why we failed and how we can find some other new approach and new method to deal with these issues. Okay, that's my first comment. I want to all of you have some time to think about that. And the second one, actually, this is very small comment -- it is about the Chu, Professor Chu Shulong's argument. He said that in his speech that Japanese and Koreans, Japan did a lot of bad things to Korea and China-- it has been very threat, a lot

of threat, attack, invasion in the past, so you have no right to argue that the rising China can be a threat. I think that statement is unfair, not convincing. To Korea, Japanese are the past threat. But China can be the future threat, ok? That is the reason why the many neighboring countries in Asia are welcome this rebalancing of U.S., because we do not think that they are coming to attack us, to invade us, but they are coming to rebalance. China is rising, but we are not comfortable with that. And especially your recent activities in overseas and other military areas, are very threatening in fact, you know? So we want some kind of rebalance, we want some kind of balance of power. That is why we are welcoming. So what I'm saying is that you have the Chinese scholars who think that there is a growing concern and feeling of uncomfortableness about rising China, and you have to find some way how to change this general perception of neighboring country and just say that we are not going to be a threat. We are peaceful rising. That rhetoric is not that persuading, convincing anymore, so we are talking about the future of this region and how to build new order, new trust and I think we should address more on this.

DR. JIA: Okay, thank you. Professor Iwashita please.

QUESTION: Thank you Professor Jia. My name is Akihiro Iwashita, my major is Russia, China field, but Japan citizen. Small question, but two questions. At the beginning, I wanted to cast suspicion on Professor Chu but now my feeling is that I try to defend his position, so I fully enjoyed how Chinese perceived the perception on Japan now. I think probably most of Chinese or some Chinese share this conception. But my question is very simple. Do you think that China's version or concept on current Japan is really well accepted by the world beyond East Asia? If we ask to the world, not to the East Asia, the following question -- which country would be more threat to the southern countries, Japan or China? What would the world react? Please tell your opinion. And second question more seriously academic to Professor Xinbo, and I'm very impressed your great explanation [of] shift power balancing. Yes, it's truth. So, but if we extend this logic beyond the East Asian sea issue, I mean that maritime security issue beyond the territorial disputes. So the sea is broad, you rightly mentioned, so now what was China's expansion to North Artic in Japan Sea, or Okhotsk Sea, also the Bering? This is very critical now. So the Russia would be a stake at this orientation. What do you think about your scenario -- the huge balancing power of China and the presence more beyond East Asia Sea security? Please give your answers.

DR. JIA: Okay, thank you very much. Professor Tang?

QUESTION: Thank you. Sort of two broad area questions. One on the Korean issue, which I think is really, probably now the most critical one for the region as a whole. It seems to be completely intractable and I think what Dr. Park just talked about in terms of whether there has to be new thinking and a new approach, make me think that how far, I don't know whether Jae Ho would jump at this, do you think the acceptance of a nuclear North Korea should become the new basis of dealing with North Korea -- whether that is some sort of kind of thinking, since regime survival, is a very critical issue for the current regime. And there seems to be little prospect of other players adopting different, completely dramatic, so new approach to the problem. The sort of, second thing, related to this about North Korea -- since the China economic model seems to be

one possible way to entice North Korea to introduce economic changes and reform, how far do you think there is a prospect for South Korea and China to have some kind of joint economic initiative in trying to create change in the mentality of the North Koreans and sort of new approaches of engagement?

The other sort of observation I had, this is not about North Korea, but on Michael O'Hanlon's recommendations -- I think this is really quite typical Michael, in a sense, that you are very, what I think is probably controversial but very concrete, pragmatic, sort of recommendations and measures, if they are carried out probably would make a difference. What I'm sort of thinking is if we are thinking about the Chinese approach to managing relationship with the United States through the new type or new model of great power relationship, do you think the kind of thinking you have will be something that could be on that particular agenda from the side of the United States? Thank you.

QUESTION: Thank you very much. My question is for Professor Chu. I agree that the deterioration in Japan - China relations is very regrettable and I certainly hope that we're not moving into a situation where each country would look at each other and think that's the major threat. And I think when I was listening to you go over the list of issues from your perspective, make Japan seem like a potential real threat, but what's missing from that is a discussion of the factors that could actually mitigate against that situation from deteriorating even further, so you know, two major elements that occurred to me and I would like to get your reaction to that is of course, a very significant degree of economic interdependence between these two countries, but also the fact that Japan has now well consolidated democratic institutions and certainly it's not the country it was in the pre-war era. So it seems to me that we couldn't expect at all the same kind of international behavior and that should be factored in by assessments about future potential threat. Thank you.

DR. JIA: Thank you very much, we have one last question, please keep it short, thank you.

QUESTION: Thank you Chairman. A short question for all speakers. It seems each country in the East Asia fears that it's threatened by some others. China is threatened by Japan or United States. North Korea is threatened by Japan, U.S. and South Korea may be threatened by Japan or North Korea, and Japan is threatened by China, so maybe I have to say, if not totally, but maybe the list partially, is this feeling is caused by the existence of the cold war framework, because there is still the U.S. dominated alliance in East Asia. So my question is, because you know, because there is the alliance, so there should have some hostility among this region. So my question is, if we want to resolve the security issue in this region and what's the influence of the lay on the issue of recent ocean. Thank you.

DR. JIA: Thank you. All are good comments and questions. Now I want to return to the panelists. Each of you have three minutes. I think sufficient time to address all the questions. Please. Mike, do you want to go first.

DR. O'HANLON: Sure, thank you for the thoughts. One quick idea on Korea, which is that we perhaps make a distinction between trying to arrest the growth of North Korea's nuclear arsenal and completely eliminating it. In other words, we need to do the first. And hopefully we can walk back some of the recent North Korean buildup, recognizing the last half dozen nuclear weapons may be a problem that's too hard for any first or second or third round of negotiations. But we really need to make sure the North Koreans don't end up with fifty or a hundred war heads. So that would be one idea that I would throw out, which is not -- which comes out of a lot of discussions that I've had at Brookings with colleagues there, like Richard -- I don't want to blame him for it, but it is going to be hard to get rid of the last six or eight or ten North Korean nuclear weapons. But that may be less important in the first instance, than preventing this next round of growth in their arsenal, and maybe that idea can factor into our thinking.

Second, on the Professor Tang question, the new model of major country relations and the agenda that we're putting forth, yeah, that's exactly in that spirit I think. Of course, the beauty of the phrase, new model of major country relations is that it can mean anything you want, as long as it's generally serving the cause of peace, so I'm not really sure that I have claimed very much by making that argument. But you know, I think on a lot of these specific points, you're looking for ways to recognize that both China and the United States remain great powers, the United States remains committed to this region, continues to have major allies, is not going to back off any of those commitments and that China cannot be expected to back off its image of itself in the region either. But we have to look for ways to have new models of interacting. So yes, I would hope that it would be seen in that light.

Last point I'll make in terms of what role the allies can play, if I understood the question correctly -- again, I guess I'll just say one thing -- we've had a lot of discussion about both Japan and Korea, maybe we should briefly mention Australia and I think Australia's got a nice approach. Now they're a long ways away -- maybe it makes it easier. But overall, we certainly feel very welcome in Australia, as allies but we don't get any sense that we're being invited to have a bad relationship with China. When I visited Australia I was on a task force on the U.S.-Australia alliance last year, and the overall theme was very much that America's regional presence is about stabilizing and helping preserve the ongoing development of the region, not about picking sides. At the same time, the U.S. and Australia are allies. China and Australia are not allies. We're not going to apologize for that. We're not going to walk that back, but it's not intended to be any more competitive or any more zero sum than necessary and Australia works very hard to get along with China. So maybe that's a partial answer. I'm sure my colleagues will have thoughts too.

DR. WU: Three points. Professor Park mentioned the regime change in North Korea, but you got to remember, in this world, many countries choose to develop their nuclear weapons. They have quite different political systems as North Korea. So it's not so much a matter of political system. You have democracies that also develop nuclear weapons, and some democracies can also be very aggressive and dangerous in foreign policy, right? So I think it's not so much the nature of the political system.

The second question is how to deal with this perceived China's rising influence and presence on the sea. I think we need to create a new maritime order in this region. This is urgent partly because China's neighbor development is taking place, so it's very nature that China is capable to invest in a blue water navy, and this navy will need to do more training and exercise in waters that used not to be there, but the challenge is how you assure other countries this is not a threat, and also to avoid some unintended conflict. China - U.S. are now negotiating for some mechanism on maritime security on the sea. So maybe someday we can expand this to some multilateral process involving other region members. And also, China should increase the transparency about its naval capability and its naval strategy.

And finally, of course, what's more important is it should state, its already stated, keep stating, that it will gift it to a peaceful solution of the maritime disputes, so you know with all this, this may help alleviate the concern from our neighbors, but the concern will still be there, but it's better to do something than not to do anything.

And finally, some of you just mentioned this -- China is a future threat. I think what you really mean is that China is a future uncertainty, right? So psychologically there is a difference between uncertainty and threat. If you talk about threat, that means you have both the intention and capability. If you talk about China as a future threat, you cannot demonstrate by telling in the future, at a certain stage, what kind of intention China will have. So it's more a kind of uncertainty about future. So some regional members, including Australia as you mentioned, actually they want to invest in insurance, so by strengthening a security relation with the United States. At the same time, that doesn't mean Australia is taking China as an enemy, and wants to side with U.S. to contain China. So you have to tell the difference about uncertainty, perceived threat, real threat, future threat -- so to be careful. I'll stop here.

DR. CHUNG: Thank you. Three points. When the world is unipolar in structure there is very little deviation for smaller powers, so very stable. Or when you have a bigemonic structure, or shared hegemonic structure like what we had in the cold war era, very stable. But with the relative decline or the end of unipolar moment of the U.S. and the collapse of the Soviet Union in the 1990s that has broken. And the Pandora's Box opened. All traditional sources of conflict are coming out to haunt us. So going back to the unipolar structure, unlikely. Going back to another bigemonic structure -- maybe. But in what way? Certainly not going to be ideological then -- in what manner? It's a very tough question.

I think Mike missed the point about my citation of the *Chosun Ilbo* headline, because I'm not talking about the facts. Just because China surpassed Japan in GDP terms in 2010 doesn't mean China surpassed Japan in overall power. How many Nobel prizes China scientists got so far, compared to Japanese scientists? So it all depends. But, I'm not talking about facts, I'm talking about perceptions. Think about how Japan is reacting since 2010, you know? That's what I'm talking about. U.S. should pull its economic act together. I think that's one recommendation I want to give to my American colleagues.

About denationalizing -- I think it's very easy to say that. It's difficult to do. I think in order to do that, you first have to stop all the football matches, A matches between Japan, Korea and China, because that is really adding nationalist sentiment to the three countries.

About Japan -- I didn't hear clearly -- you said Japan demoted its relations with South Korea? That's what you said?

QUESTION: If things haven't changed based on oriented current trajectory, Japan would most likely demote --

DR. CHUNG: But that is not what is happening. Abe asked Park Geun-hye to meet with him three times. We turned it down. So things are changing in a different mode. And I think you said South Korea in the future will most likely enter into Chinese orbit? I think you are talking to wrong groups of people in Korea. We are not going to -- we have not made decision yet. And for me, actually, I haven't decided whether China is a threat or not. I mean I would like to recommend two writings by Ian Johnston, 2003, 2013, International Security. I think that is really the locus classicus on the issue.

Finally, North Korean issue. Well, OPLAN 5029, I'm sure a lot of discussions have been taking place, but I think this thing the U.S. - South Korea moving in together has become a religion somehow, and I tend to defer, because both the U.S. and China and South Korea have not thought about one very, in my view, important alternative, and that is South Korea moving alone. U.S. has talked a lot about trust, reliability, best alliance ever, but U.S. doesn't trust South Korea in terms of dealing [with] WMDs in North Korea. So, but once South Korea does something, as a divided nation itself, China's position is unclear. That's the lesson I drew from my own interviews with Chinese over the last ten years. Yeah, I'll stop there. I have more comments.

DR. CHU: Okay, I think I got the three questions and comments. First about whether China will be a threat to Korea in future. To say something frankly, I do not like to pay attention to those poor guessing or assumptions without solid facts. I think that everybody can perceive everyone else as a threat in future, like a lot of Chinese believe that Korea, South Korea, align with the U.S., is a threat to them. Now, in future a united Korea, still aligned with the U.S., has American troops on the peninsula, is a threat. So whether it is true or not, I don't know.

So I think any prediction when we read, we hear the reports in the world, talking politicians, scholars, business, about future predictions, whether it's reliable or have any credit, depending on their foundation. And the foundation is the past, rather than today, because nobody knows what will happen in future. Nobody is God. So only solid, is whether their foundations, their evidence is trustable. And foundation is something happened, reality. So yes, my South Korea students always tell me and tell us in my class that how many times China in history, thousand years, invaded Korea. We don't know, so it's new to us. But, textbooks are different in countries.

But I still believe that the emperor tried to help the kings, queens of Korea kingdom invited by them, even invaded is quite different from occupation, colonization. And China as a strong country is in two or three thousand years never colonized Korea. If you say this as bad, that the invasion or military entry is as bad as colonization, okay, you can go.

Second, whether China and Japan is a greater threat to Asia in future. Again, I think this is a poor assumption without groundness. But I still think that, if we really want to answer it, I think we can go back seventy years ago.

If the same questions [were] asked seventy five or seventy three years ago, and I think the answer is there. Who is a threat to Asians? Japan or China? Because talking future, we don't know. But talking about the past, something that's already happed, we know. It's a fact.

And your question about the economic integration between Japan and China is good, but unfortunately, it has not brought good relations we want to see between Japan and China, including between Taiwan and mainland China, but now it's okay because Ma Ying-jeou, Kuomintang, is in power. And your suggest [suggestion] that democracy in Japan would bring everything good in Japan. I think that the situation does not affect, does not improve.

If you believe democracy is a good solution to every problem, domestic and external and internal, then my question to you -- why are [does] democratic Japan, does not recognize their wrong doing in the past? As are [does] democratic German? How many people, civilians they killed during the second war? How many women they raped? It's clear, wrong doings, criminal, inhumane. Why democratic party, democratic people, democratic country of Japan, do not recognize their wrong doing? I do not answer. Perhaps you know.

DR. JIA: Wow. I think by this time, we have heard a lot of thought provoking, insightful, rich, pithy, and very interesting comments. These are very fruitful thoughts. I want you to please join me to thank our excellent speakers, and also audience for raising the interesting and very good comments and questions.

DR. WU: Well, one last word, as a host. I think I already thanked Richard Bush and Kevin Scott in the morning, so I will not thank them again, but I do want to thank all the CNAPS Fellows for coming to Fudan for this year's annual conference. I am very satisfied with the turnout of this group.

And I also want to thank my colleagues from Fudan and especially my students -- the students who are attending my class actually this semester. I have noticed that today they are unusually disciplined in participating in this conference and I hope you do learn something from this event. Now Dr. Song you have something to announce about –

RICHARD BUSH: Could I have the final word?

DR. WU: Sure.

DR. BUSH: Just to reiterate our deep gratitude to Wu Xinbo and his staff and Fudan and the Center for American Studies for being outstanding hosts. I think we've had outstanding discussion and exchange of views all day and we are really grateful to you. Thanks.

DR. WU: So this is a new model of center-to-center relations.

DR. O'HANLON: The new model of great center-to-center relations.

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