THE BROOKINGS INSTITUTION

FALK AUDITORIUM

IS THE UNITED STATES LOSING CHINA TO RUSSIA?

Washington, D.C.

Tuesday, July 26, 2016

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P R O C E E D I N G S

MR. TALBOTT: Good morning, everybody. I'm Strobe Talbott and I'm very glad to welcome you all here this morning. I see that most of you are dressed properly for the weather outside. I look forward to taking off my tie and jacket in due course. I also appreciate that even though we are in the dog days of summer, that so many of you have come out to join in the discussion of a particularly important and often changing triangle in the geometry of international relations and international security.

I'm talking about, of course, the relationship among the United States, the Soviet Union/Russia, and China, of course. As so many of you know, back in the first decade of the Cold War, the government here in Washington and many other governments around the world, thought about the monolith of the Sino-Soviet relationship. They thought in terms of a kind of an axis between Moscow and Beijing, yet that having already incentivized the United States to begin in the '60s its misadventure in Indochina, the relationship between the Soviet Union and China was already very much changing.

In fact, in 1961, really before the buildup of American forces in Indochina, the Chinese Communist Party denounced its Soviet counterparts as revisionist traitors, and then in 1969, of course, the relationship came to blows, particularly in the form of the border war along the Amur and Ussuri rivers.

Now, the Nixon administration, of course saw in this crisis, both danger and an opportunity, and particularly an opportunity for a double breakthrough in the form of détente with the Soviet Union and the opening to China.

Now, flashing forward to today, which I think has kind of a theme about it as we look around the world, and that theme is "back to the future." On the surface it would seem that a revanchist Russia and an assertive China are making common cause to thwart U.S. global security policy and weaken U.S. alliances in parts of the world that they regard to be their spheres of influence.

And that's the backdrop for our panel. We have three colleagues who are associated with Brookings. Cheng Li, who is the director of the John L. Thornton China Center; Fiona Hill, who is the director of our Center on the U.S. and Europe; and Yun Sun who is at the Stimson Center, but is also an alumna of the Brookings Institution and still has an affiliate with us.

But I want to particularly thank our special guest, Stapleton Roy, who I think I met when I

was a very, very junior reporter in the Moscow bureau of Time Magazine in 1969. And I'm sure he gave me great insight and wisdom on what was going on, on the Soviet and Chinese border.

He went on, of course, to be one of the most distinguished diplomats of his generation, and I would say pretty much any generation, a revered ambassador to the PRC, and also a good friend to Brookings over the years.

So now I'm going to turn the proceedings over to Cheng Li to get this conversation going, and I'm sure there will be time to bring you into that conversation, yourself. (Applause)

MR. LI: Thank you so much, Strobe, for those extremely insightful remarks and for taking part in today's session despite your very busy schedule. I understand you are on call for some important meetings, so feel free to leave any time, but also and please stay if you can. You know, I think that probably the audience also has a couple of questions addressed to you, you can continue to share with us your wisdom. And it would be hard to find really, a better person than you to offer an historical account, and also the future outlook on U.S.-China, Russian trilateral relations.

When he was a Rhodes Scholar at Oxford, he translated the Soviet Leader Khrushchev's memoirs into English, two volumes. And during crucial periods of the Cold War he wrote several books on U.S.-Russian relations and also on disarmament.

He served as deputy secretary of the state and ambassador at large on the new independent states following the Soviet breakup. Early in his career, as a Time Magazine correspondent, Strobe covered Nixon and Kissinger's opening of China in the wake of 1989 Tiananmen incident. He wrote a highly-influential article entitled, “How Not to Break China.”

Only a few weeks ago when we were together in China I witnessed Strobe's engaging dialogue with Chinese leaders and the Chinese public intellectuals discussing the challenges and opportunities presented by ongoing changes in the global geopolitical landscape.

Strobe, your expert knowledge and your strategic vision are truly invaluable at this perplexing time in global affairs, especially regarding major power relations. Thank you so much. Can we have another round of applause? (Applause)

Well, I want to join Strobe in welcoming you all to this important discussion. Is the United

States Losing China to Russia? The title of the event is not intended to echo the American debate over who lost China, as in the middle of the last century. But it does remind us of the fact that improvements in U.S.-China relations in the '70s and the '80s provided many advantages to the United States as they strive to win the Cold War.

But today the trilateral relationship between the United States, China, and Russia has profoundly changed. U.S. relations with China and Russia both seem to be deteriorating, meanwhile China and Russia are strengthening their strategic partnership or even, some say, or some would call closer to an alliance.

Some strategic thinkers in the United States have begun to worry about what they call an uneasy triangle. Chinese analysts have adopted a new term, the term called the “New Three Kingdoms” (Xīn Sānguó Yǎnyì), this is a term frequently appear in Chinese discourse to characterize the situation of today and try to explore its implications.

Now, are we entering a new Cold War? What serves the best interests of each of these three powers? Is it risky for the United States to be on footing -- hostile footing with both China and Russia while confronting other challenges such as ISIS and North Korea?

Unfortunately, these important questions are not being adequately debated in the United States; even during this heated campaign season part of the rhetoric should not overshadow the need for sound strategic discourse.

Now, we have three excellent panelists to share with us their insights and perspectives to address these important questions. Ambassador Roy, on my right, is not only a China-born Sinologist, but he also specializes in Soviet affairs and served in Moscow, as Strobe mentioned, in the heat of the Cold War. He served as ambassador to Singapore, Indonesia, the People's Republic of China, and also as a national -- also as the assistant secretary of state for intelligence and research.

My colleague, Fiona Hill, is director of Center on the United States and Europe, and a senior fellow in the Foreign Policy Program here at the Brookings. From 2006 to 2009 she served as national intelligence officer for Russia and Eurasia in the National Intelligence Council. A co-author of the best-selling book, “Mr. Putin,” Fiona is one of the most sought-after commentators on Russian and

Eurasian affairs.

Last, but certainly not least, Sun Yun, is a senior associate with the East Asia Program at the Stimson Center. She's also a nonresident fellow in the African Growth Initiative here at the Brookings. Prior to these appointments, these positions, she was a China analyst for the International Crisis Group based in Beijing. And her research really covers a wide range of geographic regions and topics. In terms of region she is really an expert on the China-Africa relations in African development; and also East and Southeast Asia; and finally Sino-Russian relations.

So, welcome you all, our three panelists. Now, each of them will give 10-minute remarks, and followed by a discussion that I will moderate, and then after that we will open the floor for Q&A. So, we go with this order. Ambassador Roy, please?

AMBASSADOR ROY: Thank you. Good morning. First, to comment on the title, the United States never had China to lose. If we did lose it, it was long ago before I joined the Foreign Service. I think it would be more accurate to ask: Which country occupies the favored position in the triangular relationship, in the sense of having the better relationship with the other two? It was the United States for a long time and now it's China.

Now, some people date the improvement in Russian-Chinese relations to the collapse of the Soviet Union. But actually the gradual normalization of relations between the two countries began long before that. In the American embassy, which had just opened up in Beijing in 1979, after the establishment of diplomatic relations, we detected a warming trend in Russian-Chinese relations back in '79 and 1980.

It was reflected in the fact that border problems between the two countries that used to take months to resolve, all of a sudden could be resolved in a day or two. And also the Chinese have been concerned from the very beginning of the relationship, dating from President Nixon's visit to Beijing in 1972, that the United States was trying to stand on Chinese shoulders in order to get at the Soviet Union. Even though we had a binding element in the U.S.-China relationship based on the common concern about the Soviet threat, China felt that we were using China against Russia and this gave them an incentive to want to have a better relationship with Russia.

It was the intervention of the Russians in Afghanistan that held back that trend, but it resumed again as soon as the Russians began their withdrawal from Afghanistan. So, we need a long-term perspective on this relationship in order to understand the dynamic that was going on.

Certainly the disintegration of the Soviet Union in 1991, which was occurring right at the moment when I was presenting my credentials to the president of China, and we spent -- our discussion was not on U.S.-China relations, but on what was going on in the Soviet Union, and both of our information came from CNN, because there were very dramatic developments taking place on the television screen.

But the collapse of the Soviet Union and the reemergence of Deng Xiaoping's pragmatism in China had removed the element of ideological rivalry from the relationship between Beijing and Moscow. From China's standpoint of course, the collapse of the Soviet Union was a very desirable development, and obviously the Russians had a somewhat different perspective on that development.

But regardless of these contributing factors, the reality is that Russia and Chinese relations are probably the best in modern history. China has -- The two countries have good reasons for strategic cooperation. They're both opposed to a world dominated by a sole superpower that isn't one of them. They both feel threatened by U.S. unilateralism, U.S. interventionism, and U.S. support for color revolutions.

So they always both suspect, the United States is out to change political systems in their countries in ways that we prefer and that they do not appreciate. Their economies are complementary; Russia as a supplier of military goods, energy and raw materials; and China as a supplier of capital, consumer goods, and equipment.

They have a common interest in not having Central Asia become a breeding ground for terrorism. So these common factors are sufficient to hold in check Russia's strategic insecurities caused by the rapid rise of China occurring at the very moment when Russia was declining as a major power because of the disintegration of the Soviet Union. And another factor is these common interests hold in check China's latent ambitions to consolidate its position in Central Asia, South Asia, and the Middle East.

Neither country sees its interest as served by forming a strategic alliance against the

United States. The statistics speak for themselves. Although Sino-Russian trade has increased 20-fold over the last 25 years, reaching a level of $100 billion in 2014, the reality is that U.S.-China trade is about six times larger. China doesn't forget that. In other words, the economic relationship with the United States is fundamentally more important to China than the one with Russia.

Chinese investment is pouring into Russia, and there's essentially no reverse investment from Russia. So that the hundreds of billions of dollars of foreign direct investment in China that has speeded along its economic development doesn't come from Russia, it comes from the United States and Western countries and neighbors of China.

Until the Ukraine crisis in 2014 I think you could accurately characterize Russian-Chinese relations as strong, healthy and friendly. This was reflected in public opinion polling in both countries, which was very different from the period when I served in Moscow, when Russians were acutely suspicious of the Chinese. But the Chinese consistently rated Russia as the country toward which they had the least suspicions. The United States, Japan, even South Korea ranked lower in Chinese perceptions, and you had considerable easing of the public attitudes in Russia toward China, but not to the degree that was taking place on the Chinese side.

But after the Ukraine crisis, I would characterize relations as friendly, close, but unhealthy because Russia has been forced uncomfortably close to Russia -- to China because of the confrontation with NATO over the Ukraine issue. As a result, Russia now has to go along with Chinese initiatives that Russians are inherently concerned about and suspicious of. This is not a sufficient factor to undermine the strong ties based on their strategic interests to not having a world dominated by an interventionist United States. But it means that this is not a relationship in which there is an equal sense of mutual benefit emerging from the relationship.

So, this Ukrainian development is a very important factor in the bilateral relationship. For example, the Russians were very suspicious of China's drive into Central Asia and most recently reflected in the One Belt, One Road Initiative. And it was in 2014 that they ended up endorsing the initiative, and that's after the Ukraine crisis had emerged. As a Russian official commented privately to me, "We had no choice but to go along with the initiative." Now that reflects the change in the relationship.

Former Deputy Foreign Minister Fu Ying of China had an article in the Foreign Affairs Magazine in January/February of this year. And it provides a pretty good description of relations between China and Russia, noting both the positive elements and the underlying concerns on each side. She pointed out, for example that -- She called the relationship as -- let me use the right terminology -- She called it a stable, strategic partnership, not a marriage of convenience, complex, sturdy, and deeply rooted. Okay. Well that sounds pretty good. But she said that the changes in international relations since the end of the Cold War have brought the two countries closer together.

Now, that's simply a polite Chinese way of saying, that U.S. behavior, since the end of the Cold War, has driven the two countries closer together. At the same time she acknowledges that China has produced -- China's rise has produced discomfort among some in Russia. And in discussing that issue, she noted the following points: There is still talk in Russia of the China threat.

A 2008 poll by Russia's Public Opinion Foundation showed that around 60 percent of Russians were concerned that Chinese migration to Russia's Far Eastern border areas would threaten Russia's territorial integrity. Forty-one percent of Russians believe a stronger China would harm Russia's interests. Russians are worried that China is competing for influence in their neighborhood. I've mentioned the hesitance in supporting the Silk Road Economic Belt Initiative.

But on the Chinese side former foreign minister -- Deputy Foreign Minister Fu Ying, noted as well: Some continue to nurse historical grievances regarding Russia. Despite the formal resolution of their border disputes, which have been settled by both sides, with compromises on territorial issues, Chinese commentators sometimes make critical references to the nearly 600,000 square miles of Chinese territory that czarist Russia annexed in the late 19th Century.

So there is no question that China was unhappy with Russians behavior in the Ukraine. While China stopped short of direct criticism, Fu Ying in her article noted that the Foreign Ministry spokesman or spokesperson in Beijing spoke up saying that Ukraine's independent sovereignty and territorial integrity should be respected. This was after Russia had already separated from Crimea and joined it back into the Russian Federation.

This, from China's standpoint, was a horrible precedent, because when Chen Shui-bian

was the president in Taiwan, he had come up with an idea of holding referenda on Taiwan on U.N. membership for Taiwan and other sensitive issues, and Beijing was strongly opposed to using such referenda which it viewed as a sort backdoor way of trying to stimulate independence-minded thinking in Taiwan.

And here is Russia using referendum in Crimea to separate territory that Russia had formally recognized as part of the Ukraine and joining it back together with Russia. So this was a bad precedent.

Secondly, the Russian armed intervention in the eastern parts of the Ukraine to prevent Kiev from restoring central control over its eastern territories brought to mind the U.S.-CIA-backed intervention in Tibet during the early stages of the Cold War, and China's nightmare is that foreign powers were trying to intervene inside China and exploit separatist sentiments in areas such as Tibet and Xinjiang. So, in other words, while China didn't formally criticize Russia over its behavior, it clearly had very deep reservations about having these types of international precedents established.

So, let me conclude just with a brief comment. I was attending a trilateral conference among U.S., Russians, and Chinese shortly after the Ukraine intervention, and the Chinese who had been very circumspect before in commenting negatively on Russian behavior, and generally treating the Sino-Russian relationship as all sweetness and light, at the very opening of the conference one of the Chinese looked at the Russians and said, "Your actions in the Ukraine have implications for East Asia."

This was a way of reminding the Russians that they were behaving in a way that affected Chinese interests in a negative way. Having sat in on numerous conversations with both high-level Russian leaders, because of my relationship with Dr. Kissinger, the high-level Russian leaders don't meet with me independently, but I've also been in numerous meetings with high-level Chinese officials partly because of my status as former U.S. ambassador or an active U.S. ambassador, and partly because of my relationship with Dr. Kissinger.

I have not been in any relation with a Russian leader in which they have not expressed concerns about China, and I have not heard a single statement since the collapse of the Soviet Union from any senior Chinese official expressing strategic concern about China.

Now that tells you something about the way that the relationship has changed. It's a good, close relationship based on very important strategic interests between the two countries, but from China's standpoint it's the result of positive developments that have strengthened China's position in the bilateral relationship, and from Russia's position, China is acting as a good friend in need, but they still see China's rise as posing strategic challenges for Russia that they are deeply concerned about. Thank you. (Applause)

MR. LI: Fascinating. Thank you for that very comprehensive and analytical account. And we'll go back to, you know, some of your excellent points. Fiona?

MS. HILL: Well that was so comprehensive, that I think that Sun and I could go out for coffee, actually. (Laughter)

AMBASSADOR ROY: Well, you don't have to go out.

MS. HILL: Yeah. We'll, have to go out, and we'll do so (inaudible). We are very privileged to have Ambassador Roy here. I mean, as you can hear from this tour de force that also takes us back, so long in this relationship we couldn't really, apart from Strobe – have a better interlocutor and opening presentation for this.

I mean, as I was sitting, listening to him, I also wondered why we didn't call the title, "Losing Russia to China," you know, as you scoped out the events of this decade dating back to the 1960s, and taking us through the various efforts of Russia and China to engage with each other, it became very clear that we've been on such dramatically different trajectories in these relationships.

The U.S. and China obviously having a rather difficult relationship, but a very a carefully managed one at this juncture, at least we hope so; and Russia and the United States now going almost full circle in 30 years.

You mentioned the efforts of the 1980s, of China and the Soviet Union to work out the relationships. And if we think back to the period, of course Gorbachev had some bad timing in his visit to China, with Tiananmen Square in 1989. But that juncture of 1989 looked quite hopeful for U.S. and then Soviet relationships. We seem to be on a very different path from where we'd expect ourselves to be in now.

So, we do have this strong juxtaposition, and I do think it -- you know, we could have had this title as the United States losing Russia to China, or did we already lose it? As you've mentioned, this has become a relationship between Russia and China that has very strong strategic elements, and I think you very eloquently outlined all of the bases for this.

We see China and Russia having very few differences in international organizations. But they both have very similar perspective on the utility of the United Nations, both are very careful about the positions that they hold in U.N. Security Council, there's a great deal of coordination of positions there, even if there might be some differences. Both of them have taken advantage of the BRICS organization, and seeing themselves as leading players in that, also the G-20, and many other new organizations. There's of course the Shanghai Cooperation Organization that China and Russia set up together that has aspirations for a larger role in international affairs.

You didn't really mention that there but it does come out of that relationship that the two of them have been trying to forge in their shared neighborhood in Central Asia. But I think one issue that we should bear in mind here although we are very much focused on the strategic triangle of relations, but we're not in the Nixon era anymore.

Now, our recent presidential campaign might have suggested that we are. I mean, I've been following, like everybody else has, all the reporting and the convention. We've had Nixon raised in many other different perspectives, not just in the form of Nixon to China that you've raised, but this is a much more complex world that we are in. This is not just a relationship among U.S., China, and Russia, there are many other players. And I think you've also started to bring that out in your presentation.

The rise of China, especially economically, since 2010 against the backdrop of the global economic and financial crisis, and the eurozone crisis, has changed everybody's calculations. And I think if we start looking further afield both in the Asia-Pacific region and also in Europe, and we see that everybody is factoring China in, in a different way; in many cases sometimes to Russia's detriment. So it's not just an issue of how Russia perceives its relationship with the United States against the backdrop of the relationship with China, but how Russia, the United States and other countries are also managing their own complex relationships, and trying to figure out how they also pivot towards Asia and China.

If we look at the Asia-Pacific, another of the countries that you are intimately familiar with, Ambassador Roy, Japan is also in the process of trying to figure out how it balances its relations with Russia and also China. Russia has proposed, in fact, to the Japanese behind the scenes, the creation of a new Asia-Pacific security arrangement.

Many of you all will be very well aware that Prime Minister Abe of Japan has been very eager in improving the relationship with Russia. There are a couple of major points that are obstacles in that relationship, both of them are interrelated, in fact. One is the fact that Japan and Russia have yet to conclude a peace treaty since World War II, because largely the stumbling block of territorial dispute over what the Japanese call the Northern Territories, and Russia calls the Kuril Islands, that were seized, several of the islands in the southern part of the Kuril's chain seized by the Soviet Union in the closing days of World War II.

There's been many Japanese attempts, and Russian attempts to resolve this issue, we are, again, another phase of this, which is, again, driven by external factors. The Japanese are very much concerned about what they now see as an existential threat and the worsening of their relations with China, and hoping to have Russia as a counterbalance, so to China and the Asia-Pacific. And Russia would also like to be counterbalanced to the United States in the Asia-Pacific, but also to China in the future.

Because as you've already suggested, there are worries and concerns that Russia has, not just in its shared neighborhood with Russia and Central Asia but also in the Asia-Pacific region. In 2013, the Russians and Chinese engaged in some joint naval maneuvers, which have been repeated on a number of occasions, and most recently they've engaged in naval maneuvers in the Mediterranean.

But after the maneuvers in the Asia-Pacific region the Chinese warships took a scenic route back, not directly back to base, and went over the top of Japan through the Sea of Okhotsk, and scared the bejesus out of Russians and the Japanese.

And you can see after that point in 2013, you know, the Chinese were quite open about this, but they hadn't actually notified the Russians that was the chosen route home, it's also in international waters. But you can imagine that going north to go back to Japan rather than going straight

to -- going north to go back to China, and around Japan, instead of going south, got some attention. And after this we saw an uptick in Russian interest in closer relations with Japan. So we can see there's a lot of complexity in this relationship.

China also launched an expeditionary trip by one of its massive icebreakers into the Arctic. Again, going through international waters, but very close to Russian territory, which of course the route to the Arctic, because most of Russia lies in the Arctic. And after that the Russians were very quick to try to close up international waters in the sea of Okhotsk to prevent, perhaps, an expeditionary trip by more Chinese military vessels into those waters. So, each time you see a very quiet but a very significant reaction from the Russians reflecting the concerns that you raised in your introduction.

So that's the Asia-Pacific. Quite a lot of complexity there; Russia and China are not just thinking about the relationship with the United States, but other players, it's not just Japan, of course it's also what happens in Korea, and both the relations with the North and the South that become factored in.

You've talked about Eurasia and Central Asia, but it's also in Europe, as you rightly mentioned, Ambassador Roy, there's been a turning point in China and Russia's relationships with the Ukraine, but China has made it clear quite frequently that it doesn't always like the activities and behavior of Russia in the European space.

Not only did China make its displeasure felt over the annexation of Crimea 2014, but during an earlier war in the border region with Georgia in 2008, you may recall that Russia made the step to recognize the independence of the two secessionist territories of Georgia, Abkhazia and South Ossetia, and China most notably did not. And in fact China provided cover later in 2008 for the Central Asian states to also resist recognizing Abkhazia and South Ossetia's independent states.

There was a meeting at the Shanghai Corporation Organization in Central Asia, with considerable pressure on the Central Asian states at that point to also recognize the independence of these states. And at that summit, the Shanghai Corporation Organization, the Central Asian states managed to resist it, and made it quite clear that they were doing this with the support of China behind the scenes.

So, again, there's complexity. There's also been, from the Russian point of view, a bit of

unseemly rush by European countries, both East and Western European countries, the United Kingdom, France, Germany, Serbia, Greece, a whole host of countries, to sign onto Chinese infrastructure initiatives, and to seek Chinese funding through the AIIB, the Asian Infrastructure Investment Bank, for high-speed rail and road linkages. I mean we've yet to see most of this constructed, but Russia is increasingly looking less like a player, and the economies of the regions where it might have been in the past, and China is looking more of a competitor in regional economic calculations as well.

So I just want to conclude there by just echoing what Ambassador Roy has said. But although this is a very important relationship, there's a lot of strategic elements, there's a great deal of shared perspective, there are also elements of competition. And there are other players in this mix that we also have to factor.

So, even though I was suggesting, you know, should we change the title to "the United States losing Russia to China," I think, frankly, none of these states are ours to lose, it's not all about us, and there are many more players here, and we are in much more complex environment.

And I think, you know, just, again, to compliment you on your introduction, we have to understand that complexity and take a much larger perspective when we are really trying to figure out what's happening here. Thank you. (Applause)

MR. LI: Thank you so much for putting the relationship, triangular relationship in a broader, you know, geopolitical readings, and look at the various countries, big and small, how to look at that relationship. Also, that when you mentioned that we need to change the title, I cannot help but start laughing, because when we sent the draft to you, I thought that you would change it, but it actually survived -- but now I'm glad that you mentioned that.

MS. HILL: I decided to wait until I had at least something to say.

MR. LI: Okay. And we'll go back to that point. This is certainly a leading force that different countries have different perspectives, you know, within country, have multiple perspectives on that issue. Certainly, we use that provocative title to try to stimulate a real debate. And, Sun Yun?

MS. SUN: Well, thank you very much. It's such a great honor for me to be on the same panel with distinguished guests like Cheng Li, Ambassador Roy, and Fiona. I really cannot claim the

expertise that Cheng Li credited me for. I primarily work on China, and I consider my job is to understand the logic of China's foreign policy, especially towards developing countries, conflict countries, and authoritarian regimes.

So, I'll provide what I understand as China's perspective of the recent developments in the Sino-Russian relations. So in the Chinese perspective, Western observers really reach one of two conclusions about Sino-Russian relations. So Western observers really either see an emerging Beijing-Moscow alliance that is aimed at changing the existing international order. Or they would dismiss the Sino-Russia intimacy as a temporary meeting of interest that they are experiencing.

But in the Chinese perception, neither position really accurately reflects the current nature of the relationship, which, in China is understood as genuine convergence of national interest despite the presence of competitive and alienating elements.

At least from the Chinese perspective, a third option, where the Chinese call it either partnership without alliance, or alignment without alliance, is possible and could be durable. Especially if both China and Russia agree that their overlapping strategic interests outweigh their diverging ones.

So China-Russia relations have been on a very positive trajectory since Xi Jinping assumed office in early 2013. He and Russian President Putin has met very frequently, 17 times since early 2013, in both bilateral settings and in various multilateral venues in which the two countries both have membership. And those multilateral organizations include the BRICS, Shanghai Cooperation Organization, and the G-20.

So, Xi Jinping and Putin seem to see the world through similar lenses, and they've reached similar conclusions about their countries' strategic positions in the international system. They both believe that their countries are in a strategic disadvantage vis-à-vis the United States. Putin believes that Russia's great power ambitions are being thwarted and undermined by the West, and he defiantly tried to reassert Moscow's interest in the regions.

On the other hand, China sees the U.S. rebalancing to Asia at best as a denial of China's strategic space in the region and access to Western Pacific; and at worst, an attempt to contain China. The Ukraine crisis and the deterioration of Russia-U.S. relations provided additional momentum for closer

ties between Beijing and Moscow.

For China, the crisis forced the United States to refocus at least some of its attention back to Europe from its pivot to Asia. Beijing enjoyed more breathing space, vis-à-vis the U.S., and more leverage vis-à-vis Russia, and Russia's vulnerability and isolation increased.

In addition to strengthening China's hand in energy negotiations, Moscow has become at least more -- Moscow has seemed to become more willing to cooperate in sectors that were previously restricted. For example, using Putin's state visit to Beijing last month as an example, the two sides confirmed the progress they have made and they will make on the Eastern route of the Sino-Russian gas pipeline, which is expected by both countries to become operational in 2018.

Russia's largest crude oil producer also reached several deals with Chinese companies including signing of 20 percent stake of this -- of this Verkhnechonsk - unit to Beijing enterprises, 40 percent stake of this Eastern Petrochemical to ChemChina, and a joint development of a petrochemical plant in Russia's Far East or CMPC. China and Russia also signed the IPR agreement on aerospace and aviation cooperation, which is believed to pave the ground for the Russian sales of the RD-180 rocket engines to China soon.

Beijing believes that the new regional and bilateral dynamics have made Moscow more open-minded and accept China's Silk Road Economic Belt Initiative across Central Asia. China understands very well that in the early days of the initiative, after in 2013 and 2014, Russia had very strong suspicion and reservation about the initiative in its traditional sphere of influence. Nevertheless, given the, so far, favorable reception of the initiative by Central Asian countries, and that the possibility of actual benefits that it could bring to Russia, Russia seems to be more open-minded and interested in what Russia can gain from the initiative especially in terms of infrastructure development.

So we know that China's Silk Road Fund and China Development Bank have committed part of the financing for the Moscow-Kazan high-speed railway. If successful, the project will -- could mark the beginning of a new page of Sino-Russian infrastructure cooperation.

The other consideration of Russia is also to connect and to integrate the Belt and Road Initiative with the Eurasian Economic Community, in order to prevent exclusivity or Chinese dominance. It

is nothing new, really, for China that there are concerns about Russia within China, and vice versa, because it is a peril of proximity and also the peril of history. The Chinese will always remember that however much we dislike the United States; it is Russia who took most of our lost territories.

Similar, in Russia, there are also voices warning against China's territory ambitions, about those territories, at least through Chinese migration. Putin's nationalism in China is perceived to be not only aimed at the West but also aimed at China. Some Chinese observers speculate that is precisely the reason why Russia is reluctant to sell its core military technologies to China, and reluctant to open up its economy to Chinese trade and investment, and to allow for more Chinese participation in the Russian Far East.

Within South and Southeast Asia, China is suspicious of and antagonized by Russia's strategic and military ties with countries like India and Vietnam. As an energy importer, China also believes that its interest in lower prices of the energy resources, and interest in stakes in oil and gas assets in Russia fundamentally differ from that of Moscow as an energy exporter; the repeated hiccups in the Western route of the Sino-Russian gas pipeline is an example of this conflict.

China's economic slowdown has affected its future demand for energy, and given the diverse sources of natural gas from Central Asia, China is increasingly hoping to have a better negotiation about the price for natural gas, and joins the upstream development in Russia. But this is not necessarily what Russia is interested in. Nevertheless, the Chinese continue to make nice with Russia. And as they have at least proudly acknowledged: we have worked closer with Russia for less.

From the Chinese perspective strategic alignment with Russia has many concrete benefits, and negative factors can be managed, they cannot be eliminated but they can be managed. This is particularly true, when China feels that it is dealing from a position of strength, and Russia is at a strategic disadvantage, so a couple points that the Chinese analysts and government officials would like to make, including one with the 3,000-mile long border, Russia has the most impact over China's immediate national security, and vice versa.

So Sino-Russia hostility is undesirable and unlikely in the near future. This point was also emphasized by Madam Fu Ying in her articulation. The second point, from the Chinese perspective,

of all the countries, Russia shares China's strategic interest most. Both have domestic political issues, and foreign policy aspirations that make them the targets of the United States. Both feel their strategic spaces are being suppressed by Washington.

Therefore, China and Russia share a common interest in, quote/quote, "Maintaining the balance in the international politics, and creating a more just international order." Implied message is also apparently pointed towards the United States.

A third point is among all powers, Russia and China probably have the most similar authoritarianist ideology. Both insist on their own political systems and economic development path, both reject Western color revolutions, and military interventions, there is ample common ground for consensus.

The fourth point is that Russia and China are strategically complementary for each other. Russia is, in terms of the foreign policy style, the Chinese feel that Russia is good at confrontation, while the Chinese are good at maneuvering. One is energy exporter, and the other one is importer. One has natural resources; the other has the money and the cash.

So the last point about border, despite disagreements or complaints inside the Chinese policy community from time to time, the consensus in China is still that the border has been settled for decades. So no one should realistically expect China to reclaim what was given to Russia years ago, so that case has been closed. As Russia and China survey their two political landscape, there's a lot of things to unite them.

However, history has also taught them the perils of alliance. The former alliance relationship has damaged both sides' confidence in the wisdom and visibility of a similar arrangement. That does not mean, however, that China and Russia would not align their positions on issues that they see common interest. Such an alignment will enhance the security and economics of both China and Russia. And it is in their views beneficial to maintain the balance of the world order. A China and Russia that align positions against the West while maintaining a safe distance from each other would be more effective than an alliance relationship.

Last, but not least, just to point out, a major weakness of Sino-Russia ties actually lies in their economic relations, which is fragile and subject to easy influence by external factors, and it very

much lags behind the political intimacy between the two. While China is Russia's second-largest export destination, and the largest import supplier, bilateral trade with Russia only marks about 2 percent of China's total foreign trade.

And last year this bilateral trade dropped by 28 percent. Including 19 percent drop of Russia export to China. This trend has continued this year. So, during the first three months of this year, the bilateral commodity trade further dropped by 12 percent. So the drop of the price of natural resources, the depreciation of the Russian currency, and the Chinese economic slowdown, all contributed to the downturn or the deterioration of the trade relations.

However, in the long run, how do you improve the trade structure between the two, and diversify their inter-industry trade, is the questions that both Beijing and Moscow are trying to answer. So I'll stop there. Thank you very much. (Applause)

MR. LI: Really, another excellent presentation. And you are so -- articulate so effective, sometimes I misperceive you as a spokesperson for the Chinese government.

MS. HILL: I am not.

MR. LI: (Crosstalk) of people, but of course, you have your own view, and own answers, I will go to ask you later on. Now we enter the question period. That I will first ask a general question for all of you, and then I'll will have -- a couple questions for each of you.

Now, a general question, or a set of question is: Do you see the emergence of a new Cold War? Or can the trilateral -- I mean, triangular relationship be managed in a more cooperative rather than conflicting manner?

Now, both Sun Yun and the ambassador mentioned about Fu Ying, especially her article in Foreign Affairs. In that article, she wrote, I quote, "From the Chinese perspective, the tripartite relationship should not be considered a game in which two players go against a third." Do you think that her description, feasible? Now, these are the general questions to ask each and every one of you. Who would like to begin?

AMBASSADOR ROY: I think it is feasible, and quite frankly, I think that we undermine our diplomacy when we try to think or behave as though our goal is to manipulate the triangular

relationship. We have reasons with both China and Russia to not have the relationship drift toward a hostile type of Cold War relationship.

I'm not an expert on the Cold War, but I spent 45 years as a U.S. diplomat, much of which was during the Cold War serving in places like Beijing and Russia, and the tenor of our relationship with China now, with all of the serious problems we have in the South China Sea among other issues, is so different from the tenor of our relationship with Russia during the Cold War -- with the Soviet Union during the Cold War, that I shudder when people talk about a new Cold War in U.S.-China relations.

Russia never had hundreds of thousands of its best and brightest students flooding our universities; you know, at that time. You cannot go to China without encountering U.S.-educated people at the top levels of the Communist Party, at the top levels of the universities, at the top levels of the business community. I mean, it's a very different type of relationship. And let's not forget that very recently we were getting along fine with Russia.

President Bush, in the early stages of his administration, as you recall, looked into Putin's eyes and thought that this was somebody we could get along with. And when we decided to intervene in Afghanistan, Russia actually facilitated our access to Afghanistan through Central Asia as opposed to opposing it. At the moment we are inclined to demonize Putin, and one can easily list all of the inequities that are there, but I like to read the Federalist Papers, and in the Federalist 63 James Madison said, that "one of the reasons you should pay attention to the opinions of other countries, is because it's a corrective to when you are being caught up in domestic passions over a particular issue, and it's wise to look at the views of the objective external world in order to control your passions."

It's worth bearing in mind that three of the leaders who get along swimmingly with Putin are Prime Minister Abe of Japan, are Xi Jinping of China, and President Park of South Korea. So if we can't get along with Putin, let's bear in mind that countries with whom we have quite close relationship, including alliance relationships, do not find him a type of person they can't deal with. That doesn't mean we don't have very serious differences with Russia, but it means we shouldn't attribute the differences to the personality of the leader of Russia who has of all the countries involved in the Ukrainian crisis, the highest level of popular support for the position that he's taking as opposed to any of the other countries,

including in the United States.

So I consider this as an issue where skillful diplomacy can steer us away from a Cold War relationship with either Russia or Beijing, and I think that we would greatly benefit if we can get ourselves back into that favorable position in the triangular relationship, which we occupied for several decades.

MR. LI: Thank you so much. Yes. Fiona?

MS. HILL: Well, I think this underscores why we benefitted so much from your diplomacy in the past and, you know, perhaps we might be able to learn a thing or two in moving forward from your remarks, Ambassador Roy; because I couldn't underscore enough the importance of thinking about the factors at play, and think about things in a much broader perspective looking forward.

This is a very different dynamic, because I think we've outlined from the Cold War, this is not an ideological struggle, and I think as all of us have outlined, and as you've outlined very clearly here from the Chinese perspective, there's not much ideology at play here. There's very much a different perspective on how you want to run your country and engage in foreign policy, which produces a lot of challenges for us that we have to manage. There's obviously a lot of differences and perspective here, but that really is the art of diplomacy.

And I really like what you said about China and Russia maintaining their difference -- the distances from each other being -- acknowledging of their differences and their own perspectives, but maintaining that distance even at the same time that they are allying. And I think that should also be a lesson to us.

We are not going to be particularly close either to China and Russia for a variety of different reasons. We actually, ironically, have a much closer relationship with China, as Ambassador Roy has outlined, in terms of people-to-people, to contacts and trade, and it's not just based on the sheer size of China but it's actually much of a convergence of economic and trade interests.

With Russia we've always had a difficult relationship. I mean, we've sat here in many different settings at Brookings, and opined on this in many ways, so I don't want to, you know, go into this in too much detail, but we don't have that basis for deeper trade, the commodity-driven nature of the

Russian economy is very similar to ours in many respects, and we don't have the same interests in Russia as a trading sense as we do with China or Japan or many of our other economic partners.

And people-to-people ties have always been fairly tenuous. There's been a lot of outward migration from Russia, historically, to the United States, but it hasn't created a constituency of people in the United States in favor of a closer relationship. We have an awful lot of Russians working and studying in the United States, but we don't have the same number of Americans in Russia, in the same way now that we have students and businesspeople going to China.

So that substance of the relations at the grassroots is missing, and we tend to get obsessed then with the strategic elements of the relationship. But perhaps we could take a leaf out of our approach to China, and start thinking of different ways of managing the relationship with Russia. We have an opportunity for a new chapter with our presidential election. We don't know how that's going to come out of this particular perspective.

One of our presidential candidates has a very different perspective, perhaps then traditionally, about how we might manage those relationships, which would involve very much changing the alliance structure in the Asia-Pacific, in particular; not just to mention in Europe. But this might, still, nonetheless be an opportunity for us to think afresh. And if we are very concerned about getting into a new Cold War relationship, which I agree with the Ambassador Roy, is actually avoidable, then perhaps this is the time to start thinking about how we might change that.

And also bearing in mind that there are so many other players in this, and we have to think outside the triangle about how we manage the relationships. How we factor in Japan and Korea, South Korea, two very close allies to the United States; different relationships, both with Russia and with China in the Asia-Pacific, for example. So, I couldn't agree more with the importance of thinking of this differently and avoiding that scenario.

MR. LI: Sun Yun?

MS. SUN: I'll be very brief. I agree completely with Ambassador Roy and Fiona. But I want to make three points. The first point is, well, we all say that we are against the Cold War style of thinking, or the Cold War thinking, but the Cold War style of thinking is actually quite prevalent in our

countries. And we hear, for example, the Chinese government and the Chinese analysts always claim that we should eliminate the Cold War thinking in international relations, but when they say that my reaction is, well, you have the most, the Cold War thinking in dealing with other powers.

So there's a factor of myriad facts, and a factor of their own belief in such judgments, but the point is that I think the Cold War thinking is it does exist. But I don't think it is Cold War. I don't think it's ideology-driven, and although the disputes and disagreements are intense, the confrontation is not at the same level as it was during the Cold War. And like Cheng Li, your many articles and publications have argued that the economic relations between U.S. and China is so important and the two countries cannot really afford to get into a confrontation or another Cold War scenario.

And the engagement by the United States, also bilateral dialogue channels are also open, and we have Ambassador Roy, among many other veterans and some -- sometimes managing the direction of the bilateral relations.

The last point I want to make is, we know that the Chinese Leader, Xi Jinping, he has proposed a new type of major power relations since he assumed office in 2013, but there is this sense in China that this new model of major power relations has actually transpired between China and Russia somehow, because the two countries are able to maintain their disagreements and keep their differences, but prioritize the pursuit of cooperation on more practical matters.

So there's actually a calling even in Madam Fu Ying's articulation, that United States should learn from that experience and try to deal with China and Russia in a similar manner. But then of course it's very easy to say, because China and Russia, in this case, they do see a common threat, which is the United States, and the U.S. may not have the same luxury on issues of principle matters. So whether it is applicable in the case of the United States remains to be seen.

MR. LI: Thank you. Now, for time constraints, I just have one question for you each. For the question for the ambassador is that, you mentioned about Putin and you also mentioned about Xi Jinping. How important has the personal relationship between Putin and Xi Jinping been to the current U.S. -- I mean Sino-Russia relationship? And some foreign observer think that these two leaders are quite similar, two strong men, are quite similar. And what in your view are the major differences between

Putin and Xi Jinping? And what do these differences mean for the United States in our policy towards these two countries?

AMBASSADOR ROY: Do you want me to answer this?

MR. LI: Yes. (Laughter)

AMBASSADOR ROY: In one or two minutes?

MR. LI: Yes.

AMBASSADOR ROY: I think that -- As I outlined in my opening remarks, I didn't base my analysis on personalities, I based it on what I considered the underlying strategic factors that were affecting relations among all parts of the triangular relationship.

You don't have an option to pick the leaders that other countries end up with. It's nice if you like them and you find them easy to deal with, but if you don't like them, and don't find them easy to deal with, you still have to deal with them. President Nixon didn't go to Beijing because he liked Chairman Mao, and found him easy to deal with. And if you read the transcripts of their discussions, you'll discover it was not an easy relationship. But the president thought it was in the national interest for the United States in order to have a better relationship with China, and he dealt with the Chairman Mao on that basis.

I think that both President Putin and Xi Jinping are reflecting the national interests of their particular countries in dealing with each other. I think both of them recognize that they are leaders who have serious domestic difficulties they have to deal with; and important foreign policy interests where there's a convergence between the two countries. And so I think they respect each other as leaders, but I don't think that it's the chemistry between Putin and Xi Jinping that has caused the improvement in Sino-Russian relations over recent decades.

I think it's the underlying strategic factors, the changes in the world situation, and to a significant degree, U.S. behavior, that has caused these two countries to find that there are common interests that have created this improved situation in the bilateral relationship between the two countries despite the imbalances between the two countries, and the inequality of the suspicions that exist on each side in the relationship.

MR. LI: Any major differences between them?

AMBASSADOR ROY: Yes. I think that Xi Jinping did not approve of Putin's behavior in Ukraine. It's very clear China has concerns that were adversely affected by having a precedent of using a referendum to separate a -- essentially to destroy the territorial integrity of a country that Russia formally recognized the territorial integrity of.

China hasn't completed its unification process. It's very sensitive about these factors. And it's a factor we haven't mentioned, that the areas where China needs action, the United States is a more important player than Russia is. In other words, a relationship with Russia is not going to solve the Taiwan problem in a way that Beijing would look favorably on. And China is behaving in the South China Sea in a way that Russia cannot be entirely supportive of because Russia still wants to have that good relationship with Vietnam.

Let's not forget that the Sino-Vietnamese border clash in 1979 was a function of the Vietnamese having thrown out the China-leaning Khmer Rouge in Cambodia and substituted Vietnamese-leaning Khmer Rouge. And the fact that Vietnam and the Soviet Union had concluded a defense agreement that Deng Xiaoping thought was a threat to China's interest and he wanted to teach Vietnam a lesson.

So that it was the closeness of the Sino-Vietnamese -- of the Russian-Vietnamese -- the Soviet-Vietnamese relationship at the time, that was a contributing factor to the border clash between China and Vietnam. So these are considerations you have to bear in mind as background factors in the relationship.

MR. LI: Thank you. My question for Fiona, because both you and the ambassador mentioned about the educational changes and the impact of people-to-people diplomacy; now I want to follow up with a specific question. And before that, let me share with you some data. And currently there are about 20,000 Chinese students studying in Russia, while over 300,000 are studying in the United States. In 2013, fewer than 5,000 Russian students are studying in the United States, and there are only 138 U.S. undergraduates and graduate students studying in Russia; in the same year, about 14,000 U.S. students studying in China.

These are the data about the student exchanges. Now based on my research that the current and up and coming Chinese leaders, very few of them study in Russia, and they usually send their children to the United States, some of them, themselves study in the United States, with except for a few major generals in the PLA study in Russia.

Now, here's my question: Does that really reinforce that our title for this panel is correct? That we have much stronger ties with China than with Russia because of the impact of the strong bonds either with the foreign students, in terms of exchanges, et cetera? The related question is, from Russia's perspective, from Putin's perspective, with this kind of number, data, does he really trust the Chinese or Chinese leaders? Now, what all this means for our policies?

MS. HILL: Well this is a very multi-layered question here but, you know, let's start on a very practical basis. That language study is, in many respects, a utilitarian base of education. You know, when you are studying a language it's not just for the importance of getting a greater cultural understanding, but it's also often for, you know, pretty pragmatic reasons. It's kind of an investment in the future, perhaps by way of employment.

I can see an awful lot of younger people sitting in the audience here, who have probably been thinking about these questions. I studied Russian back in the 1980s because Russia was, you know, the main event, Soviet Union was in the 1980s and in the United Kingdom a security perspective. And it was in the news at all points.

I didn't actually expect that I would still have a job studying Russian, but I'm encouraging my younger daughter to study Chinese and Spanish at the moment, for employment perspectives, because Chinese and Spanish are two global languages that open up, particularly for the United States, an awful lot of doors for jobs. I'm not thinking that she's going to be sitting here on a panel sometime 20 years from now opining on China or Spain, you never know, or Latin America.

I would just imagine that you might have more of an opportunity of getting a job. I think that's what a lot of people are thinking about when they make these kinds of decisions. It's interesting, although there is such a relatively small number, seemingly, of Russian students here, there are an awful lot of Russian immigrants in the United States. There are also a lot of Russian workers who have learned

English back at home in Russia where English is very well studied to extraordinary high level, and has been since, in fact, the Soviet period.

I was always amazed at how well the Soviet students that I met spoke English. And there are, you know, tens of thousands of Russians working in the United States, especially in Silicon Valley, and of course across the whole of Europe. There's lots of other places that Russians who speak English can go and use their English, not just in the United States, because English has become a global language.

And I think that's a lot of the motivation for Chinese studying in the United States, it's not just about, you know, learning about the United States but it's about being in a global marketplace. Now with the Brexit or changes in Europe and everyone will go back to speaking French, as some of my French colleagues are suggesting and, you know, we'll have to have a lot of Chinese students rushing out and retooling, I think is another matter.

But I think we can look at some practical issues there. But it is of course also providing the basis for shared and deeper understanding. But I don't think that that explains everything completely. I do think the economic and trade relationships are more problematic. I think that that has really reduced interest in the United States as being more pragmatic about the relationship with Russia. We see less of a basis -- less of a necessity for kind of figuring out different and more creative ways about managing this beyond the security relationships. So I think this, you know, underpins what Ambassador Roy has said.

The Europeans are, by contrast, don't have that luxury, and as Sun was mentioning before about the United States having to make different calculations, they also had the perils and proximity, and the necessity of proximity to Russia. They have a much deeper trade and economic relationship, they have more people-to-people, and has more Russian students studying in Europe, often in English-speaking environments. They have to manage that relationship differently.

You asked at the very end about this, about some of the difficulties in that relationship and the various suspicions. There's one set of key elements where President Putin is very different from President Xi, and in fact from many other world leaders, and the fact that is the title of the book I co-authored with Clifford Gaddy, the "Operative in the Kremlin," Putin is a career intelligence officer. He's

deeply suspicious of everybody (laughter). He sees conspiracies at every turn, and he admits it.

He is not ashamed or abashed by this, he said, you know, I'm a spy, and once a spy always a spy. You know, I don't trust people, there's a very high barrier for that, it's not just trust, but verify this, verify, verify, and then maybe not trust nonetheless. And he will always be deeply suspicious of all of the relationships. He will always be wanting to check and to make sure that no one is trying to outmaneuver him.

He is always somebody who also wants to hedge and keep his options open. China is a great hedge for the future, but the world is with these deep suspicions and concerns. And with the United States, we remain for now, unfortunately, the main opponent. And we have some considerable concerns about Russia for precisely the same reasons the Chinese do. The crisis in Ukraine, the annexation of Crimea, has been a major turning point for us as well, as was the war with Georgia in 2008, and Russia's decisions to recognize independence of Abkhazia and South Ossetia.

I mean, the United States is very concerned about these violations of the established international order. I mean, interesting, this is one area where we do have, actually, a common perspective, but perhaps for different reasons, with China. And I do think as we think about these relationships for the future, again, we have to think about, yes, some of the different perspectives of the personalities and the natures of the countries but how we have a more holistic view about this. How we factor in the complexities of these relationships. How we don't just see them in the bilateral angle, or we'll miss things.

Especially, as Ambassador Roy said about this important element in the Russian-Chinese relationship about Vietnam and these different perspectives. And each time we have to think about these broader calculations, and given the United States' role, it's incumbent upon us to take this broader perspective, like we are trying to do on this panel.

MR. LI: Excellent. The last question for Sun Yun; your presentation provided a overall assessment about how Chinese perceive Russia. But are there any important splits in the country? Or, in what ways the various groups, like Chinese leaders, public intellectuals, the military, the general public, perceive Russia? Do you think they perceive in the same way? Or they are very much divided, and this

divide is largely determined by what factors, by pro-U.S. or kind of a more anti-U.S., or something else?

Could you go a little bit specific to talk about the specific, you know, how the Chinese are divided on these issues, the dynamics or the diversified views in China?

MS. SUN: So, I will try. We think the policy community, I agree with Ambassador Roy and Fiona, that the disagreement seems to be less vocal, because people do see the national interest in this case, jump over the personal preferences and historical agonies. And it is in the interest of China to align these positions with Russia, at this very historical moment.

Although they do also acknowledge that there's no eternal friends or perpetual enemies, there's only eternal and perpetual national interests. At this moment it is in China's interest to work with Russia and they will do so. Maybe in the future when the conditions change, I don't think they have any problem changing the nature of their relationship either. It's just the conditions, such conditions have not arised yet.

Then with the public opinion, is a little bit more diverse than this consensus among the policy folks. The public seems to be hanging on to the historical issues more, and the netizens in China and public scholars; they do talk about the territorial loss to Russia, historically. And there are nationalists who argue that, well, Russia should be more supportive of oppositions on South China Sea and be more open-minded about opening up their energy sectors to our investment. That’s the Chinese energy company's perspective.

And they also feel that Russia should be more tolerant and be more cooperative in the bilateral relations given its strategic disadvantage. But on the other hand, within the Chinese public opinion, there's also this tremendous admiration of Putin. That they feel that the Russian leader has achieved what the Chinese leaders have failed to achieve in the international politics, which is respect, and the ability to assert the nation's position and protect the nation's interest.

So there are callings for Chinese leaders to learn from Putin, which I'm sure that you know, that Chinese leadership should be more assertive and learn from the Russian experience. You see, Russia has been able to do all these things without getting into too severe a consequence, so Chinese leaders should learn from them.

So those are the more nationalistic sentiments in the Chinese public opinion about Russia, which is different from the policy community's perspective.

MR. LI: Thank you very much. Now the floor is open. Please, first, identify yourself. Also, please limit your question to one. And also, I just want you to be aware that C-SPAN 3 is covering live. So, now, first, professor, your word; and earlier I referred to the -- What's it called? The triangle, right, the "Uneasy Triangle" is really based on your excellent piece, I'm so glad to see you. Yeah.

MR. ROZMAN: Thank you. Gil Rozman, I now edit the ASAN Forum. My question is about the dismissal of ideology as a factor. Sure, it's not the old communist ideology, but don't we need to think about issues of national identity and even in the Chinese response to Ukraine. So much of the Chinese writings talk about the U.S. responsibility, the Color Revolution; that this was really an ideological or identity challenge to Russia, and they defend Russia in terms of how it had to respond to the U.S.

And the second part of this, really is, despite last year's downturn in Sino-Russian relations in terms of great Russian disappointment with the lack of Chinese investment, and high hopes of 2014 being dashed by how little actually happened, for instance, in bringing together the Silk Road Economic Belt and the European Economic Union. Hasn't something more happened more this year; for instance, the reaction to South China Sea ruling in China, the reaction of both to the THAAD deployment decision? Aren't we seeing the possibility of a new upturn because of a sense of what's happening in the United States and their resentments of the U.S. even gaining ground?

MR. LI: Actually two questions integrated -- In two parts I think -- Okay, so want to take?

MS. HILL: Well, Professor Rozman, great to see you here, and for people in the audience, you've obviously done a great deal of service to all of us with your writings, not just on this topic, but also on Japan and the broader Asia issues. And you're right that, you know, one has to be careful about completely stripping out the ideological perspective. I think the point we are trying to make that this is not the old set of relationships, that the Cold War was obviously driven by a very deep, intense ideological struggle that was, you know, very clearly defined.

This is much more vague, in many respects. It's kind of got elements of great power politics. As you've said, there's a degree of national identity, but it's not really being defined on the United

States side in that way. I mean, maybe in some respects it's a one-sided struggle. The United States, for example, doesn't believe that it's been engaging in color revolutions. This is a perspective that has been generated both in Russia and in China.

I mean, the United States believes it's kind of a matter of course, it's a very benign and very universally beneficial thing to be promoting democracy, market liberalization and, you know, general aspects of good governance. It's an intrinsic part of the United States foreign policy, it also is frankly of the European Union in most European nations, and it's part of the whole thrust of the United States Agency for International Development. International institutions like the World Bank.

The United States, you know, in all populations tend to, at least up until the presidential cycle think that this is, you know, the kind of thing that you do as a matter of cause. We don't tend to see it as an ideological perspective, as we might have done during the Cold War. But as you rightly point out, that is not the view of many people in China and it's certainly not the view of the inner circle around Vladimir Putin.

Putin, in fact, as the old Cold War operative. In fact, sees an awful lot of this activity as old CIA active measures from the Cold War period and doesn't, you know, kind of really see in many respects the distinction. And it's very much the strong view that the United States has been driving many of the upsurge and uptick in insurgencies or revolutionary activity, demonstrations, political protests, beginning with Georgia. And as you pointed out these color revolutions, but also through the Arab Spring, which of course, is not the perspective that we've had here in the United States at all.

Now, we could have actually done an awful lot more, getting back to the questions that were posed earlier, and the responses behind Ambassador Roy in managing those perceptions. I mean, in actual fact when the color revolutions in Georgia and the Ukraine first took place in the early 2000s, we did, in fact, have instances of U.S. foreign policy professional's kind of laying claim to these. I remember, actually, myself being at a meeting thinking this was a very stupid move, and that we should have been very quick to point out that the United States didn't have any role in this.

And we weren't in the business of manipulating and exploiting protests. So, actually, I think we've done ourselves a disservice in helping to foster this idea that we've played some kind of role

in this, and not being very quick to address these misperceptions. And this is the same kind of issue; I think that we are dealing with in the South China Sea ruling. I think we just have to be better in our political communication.

We have a real problem in our own hands, and we don't always manage these issues especially well. So it really is a challenge for the future. I think you are absolutely right, we could see an uptick, and because of what's happening in the United States, the fact we are preoccupied with our own politics at the moment, we are going to be preoccupied with it for a heck of a long time to come, I suspect.

We are going to have a really serious challenge in dealing with these issues head on. It's going to take very deft diplomacy, and it's going to be very difficult. And I do think you're absolutely right, there's going to be an awful lot more of these problems that we face. But I do think that it's a problem that we could address head on. And it's a factor, the better political communication and much better diplomacy.

MR. LI: Thank you. Probably we'll go to another, Yu Donghui, yeah. Please also tell to whom this question is addressed.

SPEAKER: Okay. Thank you. My name is Donghui Yu with China Review News Agency of Hong Kong. My question is for Ambassador Roy. In the past two weeks we have seen a lot of meetings between the U.S. and China, you know, Susan Rice is visiting Beijing right now. Also, we see the both sides is trying to lower the tension because of the South China Sea.

Considering the G-20 Summit will be held in Hangzhou very soon, and in which President Obama and President Putin will participate, how would you expect the triangle relations to evolve after the G-20 Summit, because China will see this summit as its bigger role in the international arena? And secondly, do you expect the U.S.-China high-level exchange mechanism will continue if Donald Trump is elected? Thank you.

MR. LI: You can escape the second if you don’t want.

AMBASSADOR ROY: It's a good question; the first part. (Laughter) It's very easy to see that China and the United States have some very difficult issues that we need to manage in the bilateral relationship; issues that, if mismanaged, could push our relationship in a negative direction rather than a

positive direction. And certainly the South China Sea is one of them, because it involves territorial issues and territorial issues are always sensitive between sovereign states.

But at the same time our mechanisms for dialogue with China are the best we've ever had. We have frequent, not as frequent as Putin and Xi Jinping, but Xi Jinping and President Obama have had frequent meetings, and a special characteristic of it, which even Putin I don't think has, is they will spend hours together in discussion, so that you can get beneath the surface of issues, and not simply run through your talking points.

And this is reflected in what is going on now. I think in part of preparation for the G-20 meeting in Hangzhou, the president's national security advisor has gone to China, not for the first time, she knows the people she's dealing with in China effectively. We've had our chief of naval operations over in China, and I can't believe that they didn't discuss the South China Sea and have some exchanges on it.

So, in other words, the channels for communication between China and the United States are wide open and we are utilizing them. And I think this is the most effective way to try to deal with the full range of issues in U.S.-China relations, because every time our presidents get together, they issue a joint statement talking about 50-plus areas of cooperation between the two countries, none of which gets the slightest bit of attention, because all of the focus is on big issues such as the South China Sea or the deployment of THAAD in South Korea.

So, my sense is, both countries are serious in wanting to manage the relationship in a way that will not let it drift toward a hostile relationship, and that's the way it should be.

As for the second part of your question, I defer to my colleagues. (Laughter) It's the job of the Chinese embassy to analyze our domestic political process. Not mine. (Laughter)

MR. LI: Fiona, do you want to take?

MS. HILL: Well, that was very cleverly said. Yes, I think we are all trying to avoid getting into the presidential campaign and, you know, I think that overall these broader factors are very important. And no matter who is elected president here in the United States in November these are the choices that are -- these are how the choices are going to be framed by these structural factors.

And I think just one very quick point on the channels, I think this is where there really is a major difference between the relationship of the United States and China, and the United States and Russia. We just simply don't have those channels in the relationship with Russia. Partly that's because Putin's Russia tends to be a bit of a one-man show. It's a bit difficult to be purely a one-man show in China given just the sheer size of the body politic of the population and the, still, very strong presence of the Chinese Communist Party.

I guess President Xi is much more of a big, popular figure than some of his predecessors has been, and there's been, you know, accused on some sides of creating a more personalized presidency, but that really pales in comparison with what's happened, particularly since 2012 with Putin presidency. When Putin came back for a third term it made Russians politics so much more about him, than it was during, of course, the tandem period with Dmitri Medvedev.

And so we have real difficulties in figuring out how to structure that relationship. That was, in part, what the reset was about during the early parts of the Obama administration, where there were different layers and structures set up to manage the relationship. It wasn't just about the two men on the top. Because given the nature of the Russian-U.S. relationship, it's going to be unlikely that President Obama and President Putin are going to have the same frequency of meetings. There's less to talk about in many respects, and just lots of difficult issues to talk about.

And, you know, who wants to be sort of sitting in an environment where all you're doing is haranguing each other. I don't think that Putin or Obama particularly enjoy their encounters. Whereas Ambassador Roy is saying, that there's a little bit more to talk about when you get into different layers between Xi and Obama.

So this is one challenge that we're going to have moving forward. About how you build a broader basis of relationships, how you create new mechanisms and channels for the Russia-U.S. relationship. But I would also suggest, and maybe -- and some might have a comment on that, but the China-Russian relationship doesn't always have these deeper layers either. That is still something of a top-heavy relationship too, which is probably why Xi and Putin have to meet so frequently.

MR. LI: Great. Yes, the young lady.

SPEAKER: Thank you. Guan Xiren from Western Media. We all know that last Friday the DNC, the Democratic National Convention, their internal emails were leaked and made public. And some people say this was probably supported by Putin because it was made published by the Russian hackers. So, how do you think of this kind of possibility? Thank you.

MR. LI: We waited so long for your question. (Laughter)

MS. HILL: Yes. Well thanks. I have, unfortunately, been spending so much time with the questions related to the DNC's emails; I can't get to my own emails. So I apologize publicly (laughter) to anyone who has emailed me recently. I'm looking forward to my emails being on WikiLeaks so that other people can respond to them for me.

Frankly, we don't know who has hacked the DNC files. The strong suspicion is that it's Russia because along, frankly, with China, the Russians have the strongest capabilities -- well, the United States as well actually, we have to admit -- of being able to undertake this kind of operation.

Even if it does prove, and the FBI and others are looking into this now, and of course there's been an awful lot of enquiry into this. The first time around, and this is not the first news of this hack. This took place several months ago, in fact, and we've already had one leak of information related to the Trump campaign. It's a rather propitious moment in the election cycle. You know, the timing is not accidental, let's say, by WikiLeaks or by anyone else in releasing the certain caches of information.

That, you know, this was obviously timed for this release to the high points of the convention where Senator Bernie Sanders was going to be appearing, because those emails that were leaked were very much related to the difficulties his campaign experienced. So, again, it's not old news. There's been an awful lot of investigative reporting to find the different groups behind this. There's very strong suspicion that they are directly related to Russian intelligence, different parts of Russian intelligence, but there's no definitive proof of this. The question is really, if it is Russian intelligence, why would they want to do this?

MR. LI: Hmm.

MS. HILL: And this gets back to the comment that I made before about Russia and Putin and, you know, the world views that we have expressed here, this feeling of being in competition with the

United States, back to Gil Rozman's question about the perception of color revolutions. I've a strong feeling that the United States always tries to influence domestic politics, periods of domestic weakness, and might be interested in the business of regime change.

And if you are in the business of intelligence in Russia or elsewhere, well, you are in the business of basically also counter-intelligence. If you believe that the United States has been doing this kind of thing, then you want to pay them back with the same kind of activity. We've already had the release of taped phone conversations between the U.S. government officials. During the Ukraine crisis there was a telephone conversation between a State Department official and the U.S. ambassador to the Ukraine that was put on YouTube at a very sensitive moment in that crisis.

That obviously created a great deal of controversy. Again, it was suspicion that this was the Russians. It had the Russian's MO all over it. So, I mean, in many respects, we really shouldn't be surprised, because from the Russian perspective, and again President Putin is unashamed of the fact that he was a KGB operative. He takes great pride in Russian intelligence.

You might remember when the story broke that there were Russian sleeper agents, the infamous Anna Chapman who became something of a media darling back in Russia, about the glamorous young woman who was revealed to be a Russian spy. Putin met with them all publicly when they returned. There was no shame in the fact that, there was a great deal of disappointment, I imagined that they had been uncovered. But there was no shame in this at all.

Putin makes no secrets of the fact at any point that he relishes Russia's prowess in spying. They have not admitted to this. And in fact, in many respects it's better to have a great degree of ambiguity because it makes everybody nervous. You know, we're all probably sitting here wondering, how much they're in our emails. You know, and there's an intimidation factor about this.

So, you know, why would you show your hand because there's a great deal more of tactical surprise. Again, this is not to say that we have any definitive proof, but we should not be surprised that this kind of activity goes on. And, again, the Russians take pride in the first possibilities of the intelligence services.

MR. LI: Great. Yes, the young lady.

SPEAKER: Hi. My name is Maggie Yin. I'm a graduate student in international affairs. My question is about, we hear a lot about the U.S.-China -- U.S.-Russia relationship regarding Syria and Iraq and everything that's going on there, but China is very absent from that domain. So I'm curious as to how you think some sort of attack in China would change that; especially given that the Chinese tend to think more long-term than United States and probably Russia, as well. Thanks.

MR. LI: One of you, one of you, maybe either Sun Yun, or ambassador?

AMBASSADOR ROY: The question is: There's a lot of attention to the Russian factor in the Syria ISIS/ISIL Daesh problem in the Middle East. China is very concerned about domestic terrorism. They are particularly concerned about terrorism that links to the Uighurs in Xinjiang, where there are some external organizations that claim to be trying to stimulate resistance, or separatist forces in the area.

Clearly if there -- linkage emerged between ISIS and Uighur terrorism in Xinjiang, the Chinese would treat this as a top-priority issue. There is cooperation and intelligence exchange among countries that are concerned about this type of terrorism, and I think China is part of that process. But I don't expect that China would become interventionist on those issues because of its concern over this type of terrorism, but they would probably step up cooperation with countries that were in a position to uncover intelligence that will be useful to China in dealing with any potential internal threats that were connected to that.

But China tends to be critical of intervention in other countries and issues, and while China is giving a lot of attention to try to strengthen its ties in the Middle East, it is not yet in a position of wanting to actually commit Chinese forces to intervene in those areas.

MR. LI: Okay. We pick up a few questions; and especially a question for Sun Yun. And in the back, the three gentlemen -- who raised your hand, yes.

SPEAKER: Yes. Hi. Thank you, thank you very much. My name is Greg Strax. I'm with the National Bureau of Asian Research. My question is actually about the One Belt, One Road Initiative, and the integration with the Eurasian Economic Union which you mentioned earlier. It seems that it's progressing slowly, as Professor Rozman mentioned. Can you just talk about some areas of success

that there has been in this area whether that's in Russia or in other countries in Central Asia?

MR. LI: Okay. One second. Yeah. We take a -- Yeah?

MR. THIELMANN: Greg Thielmann, Arms Control Association. One aspect of the triangle between China and the U.S. and Russia is that each of these countries can annihilate the other two countries with nuclear weapons. So my question really, is given China's slow but steady increase in its nuclear capabilities, which seem to be oriented almost exclusively at defending itself against the U.S. How does Beijing think about the Russian nuclear threat? Is it below the surface, or is it about as alarming to them as the U.S. worrying about the British and French nuclear threat?

MR. LI: Thanks for your question. And third; maybe the gentleman in the back; yes, yes -- Two of you, yes that's fine; both of you, both of you. You can ask first, yes.

MR. SEDNEY: David Sedney with CSIS. My question is really for all the panelists. You've laid out a situation whereas Ambassador Roy said in triangular relationship China seems to have the advantage. Do you have any specific recommendations what the United States could do to try swing that advantage towards the U.S.? Thank you.

MR. LI: Last one. Yes.

SPEAKER: My name is Wang Fan, I graduated -- A graduate student in international affairs, in University of California, San Diego. And my question is for Ambassador Roy. What do you think of the phenomenon that American presidential candidates always speak ill of China and of Russia a lot, during their campaign, but after getting elected they are more practical and flexible when dealing with China and Russia? Thank you.

MR. LI: This is including Donald Trump. Okay. (Laughter) Yes? For the One Belt, One Road?

MS. SUN: Sure. On the One Belt, One Road Initiative, I agree with you, I think the integration of the two frameworks, are progressing very slowly. And the most we have heard is rhetoric and -- about the discussions as the two governments and two top leaders have had about integration. But my suspicion is that some of the projects that the Chinese are contemplating with both Russia and Central Asian countries are going to be categorized under the cooperation category, or the integration

category between the two frameworks.

So that should not be too difficult a task to complete. Also, a very short comment on counterterrorism and there's a question about China's involvement in Central Asia, South Asia, and Middle East. I think the attacks that have happened in China so far by the Uighur population have already motivated Chinese government to take a more serious attitude toward cooperation on counterterrorism, and to enhance its role in these regions.

Although there is a -- There is a problem in that process because -- I wouldn't name which country it is -- but in the process of such cooperation it is also discovered that if China has most motivation, most interest in cooperating with these governments because of counterterrorism, then what is the incentive for that government to eliminate that problem so they can no longer solicit the Chinese cooperation in this regard? So we hear the Chinese talk about this, at least, privately, that some governments are cooperating with China but they are not -- also not cooperating with China.

MR. LI: Do you have a comment on the nuclear issue?

MS. SUN: The nuclear issue is a strategic stability dialogue, is ongoing between not only China and the United States, but also China and other nuclear powers. I don’t think the Chinese policy community perception, Russia's nuclear weapon is targeted at China. So that's not a commonly-shared perception.

MR. LI: Okay. Ambassador, a special question; I think your friend Dr. Kissinger also, on a number of occasions talked about China may have now leverage in the triangular relationship, in contrast to the Cold War, and U.S. had leverage. So, do you want to address that question? And also as a question from (crosstalk) --

AMBASSADOR ROY: I'll just briefly -- I'll briefly comment on this.

MR. LI: Sure.

AMBASSADOR ROY: I agree with this on the nuclear missile issue. There are two ways to diffuse threats. One is to have a power position, which enables you to deal with the threat, and one is to simply create a political relationship in which the threat is not a relevant factor. And I think that in the case of Sino-Russian relations at the moment, China is simply not concerned about the potential of a

nuclear attack on China, and China has indeed a nuclear deterrent in case that judgment proves wrong. So this is not a subject that keeps Chinese leaders up at night worrying about it.

The question was; how to deal with the triangular relationship and get the United States back into a favored position? Simple answer, it's a question of whether or not the United States can manage our relations with China and with Russia in such a fashion that the national interest is served by having the United States back in a situation where we have better relations with those two capitals than they have with each other.

At the moment that's not an easy task, but we ought to be thinking in those terms because, again, the manipulative concept of managing foreign policy has the same detriments that you would have in a social situation if a friend was considered only interested in manipulating your friendship so that they could gain some particular advantage. You do not advance your diplomacy by giving the impression that your sole purpose in having a relationship with an important foreign country is so you can use that country against some other country.

I know a lot of people think in those ways, and I've read articles that talk about how we should be manipulating, you know, China against Russia and Russia against China, et cetera. It's bad diplomacy. Leaders are skilled, and diplomats are skilled at figuring out that you are trying to manipulate them as opposed to accomplish something positive.

U.S. elections: Why do we criticize China during elections, and then behave differently after the elections? There's a simple answer. Candidates are interested in getting elected, and therefore they tend to not think about the consequences of what they are saying. Their calculations are: will it assist me to get the votes necessary to come into office?

The U.S.-China relationship is based on national interests, and that's why presidents of Democratic and Republican persuasions, alike, after the election campaign is over, have tended to come back to a common understanding that a bad relationship with China is not in the U.S. national interest, and that we benefit from having a more constructive relationship with China.

That dynamic I think we'll discover in the terms of the current election campaign in the United States. If the candidates choose to criticize China, they will discover, if they are elected, the U.S.

national interest requires a relationship with China that cannot simply be based on criticism of them for the way they are, and the way they behave. So I would expect that dynamic to continue to play

MR. LI: We only have five minutes left. We'll take a couple questions -- Yeah?

SPEAKER: Leah from Voice of America. We know that Russia and China have both expressed their oppositions to the deployment of the THAAD System. China had said repeatedly that such a deployment would undermine China's national interests and also destabilize the region. I'm wondering if you think there's some validity to such an argument, whether the United States and South Korea should take China's position a little bit more seriously. Because I could imagine that there could be a chain reaction if China does think that way and I think they might -- you know, they are just not saying their opposition; they might do something about it.

AMBASSADOR ROY: Let me answer that, quickly. Life is filled with contradictions. And Chairman Mao in his wisdom wrote a learned article on the correct management of contradictions. The North Korean nuclear and missile development programs have created a potential contradiction which is, it has placed under threat two important U.S. allies in Northeast Asia -- South Korea and Japan. At the same time, the most effective counter-measures against the missile threat, has the potential to degrade the nuclear deterrent of both China and Russia.

So how do you deal with that problem? The answer is, if you don't deploy the THAAD, you'll essentially be increasing the risk for your allies because of the concern about the (inaudible gap) degradation of the deterrent, of countries that you want to get along with. I think the way the United States has handled that issue in close consultation with South Korea, which has clearly demonstrated that it wants a decent relationship with China, is to make the deployment because the threat from North Korea is greater than the potential degradation of the deterrent that China and Russia have against the United States.

That is clearly not the outcome that either Beijing or Moscow would have preferred. But they are very aware of the fact that this was not simply a unilateral action or a bilateral action by the United States and its ally, South Korea, aimed at China and Russia, it was a measure aimed at North Korea because of the inability of the international community including those particular parties to be able

to deter and halt and roll back the very, very dangerous nuclear and missile developments in North Korea.

So this is an issue which is very troublesome, but is manageable because it represents a contraction and I think all of the parties understand that it's not simply a unilateral action directed against them primarily.

MR. LI: We are coming to an end of this program. I found that a great deal from Strobe -- particularly from my colleagues who really spend -- you know, shared your insights and analysis, and particularly I wanted to go back to your point about good diplomacy and bad diplomacy, and also we look at the China's perspective, it's like ever changing the attitudes towards the United States, toward Russia.

I think this reminds us, that we should be wise, we should be foresighted, and also we should avoid that some countries think they do not have any choice but to have a confrontational policy. Or form kind of alliance against the U.S. interest. Now also that particularly, I want to thank my colleague that when last time you emailed back, you said you have like 500 emails haven't looked yet, and now probably --

MS. HILL: It's probably about (crosstalk) --

MR. LI: -- one thousand. So, again, thank you, all of you for come to share your insights. I hope of course that this has really caused some interesting debate. I assume that the Democratic Party is having a convention, no one will watch us. (Laughter) I think probably Trump's people should watch C-SPAN. I think, you know, it's a much better channel chance for them.

And so I want to end up with that. And thank you. I want the audience to join me to thank all the excellent panelists. (Applause)

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