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**THE SLAVIC RESEARCH CENTER AT HOKKAIDO  
UNIVERSITY**

**THE U.S.-JAPAN ALLIANCE AND  
EVOLVING CHALLENGES IN EAST  
ASIA:  
FREEDOM OF NAVIGATION  
AND NORTH KOREA**

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## **PANEL 1: FREEDOM OF NAVIGATION IN EAST ASIA**

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### **Peter Dutton**

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### **Shin Kawashima**

Associate Professor of History, University of Tokyo

### **Koichi Sato**

Professor of Asian Studies, J.F. Oberlin University, Tokyo

## **PANEL 2: NORTH KOREA**

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## PROCEEDINGS

RICHARD BUSH: I'm Richard Bush, the Director of the Center for Northeast Asian Policy Studies here at Brookings, and it's my great pleasure to welcome you to this symposium on the U.S.-Japan alliance and evolving challenges in East Asian. Those challenges, at least for purposes of discussion today are North Korea and freedom of navigation.

North Korea is no surprise. That's always a challenge, but as we've seen in the last year, in the last couple of years, freedom of navigation is becoming an import challenge as well. Not necessarily something we would have expected, but there you have it.

It's our great pleasure for this symposium to collaborate once again with The Slavic Research Center of Hokkaido University and our good friend Iwashita-sensei, and we're also collaborating with the Program on Reshaping Japan's Border Studies of the Global Center of Excellence. It is also a great honor for us to have Minister Akiba from the Japanese Embassy to provide a few remarks.

But before we do that, I have to tell you that refreshments are out here if you didn't know that, coffee and things to eat, and I would also like to invite Aki-san to make a few remarks and help us get underway.

AKIHIRO IWASHITA: Thank you, Richard. Good morning ladies and gentlemen and distinguished guests. This is the third joint forum, co-sponsored by the CNAPS Brookings and our center here. Please allow me to take this time to thank the Brookings Institution, particularly my good friends at the CNAPS for their support and cooperation to provide the opportunity to invite experts to share their thoughts and expertise on today's theme, factually China, North Korea, and the U.S.-Japan alliance.

Let me explain the background a little bit. An idea relating that today's topic on China's maritime borders and North/South Korea borders has come from our Global Center of Excellence project on "Reshaping Japan plus Eurasia Border Studies" supported by the Ministry of Education in Japan.

So the globe is our project symbol. It is unique to show not only height of mountains but also the depths of the sea on the global cartography. No borderlines here, but we have borders, so many hard borders.

We study what the border is and does function for international security and study. The borders to these network on the globe, but China, Russia, Japan, and Eurasian area never have it. We are establishing it in the worldwide context.

Here is our new journal *The Eurasian Border Review*. Probably you have a sheet on our journals, so any contribution to us is more than welcome. And we also study

Japan's borders with Eurasia. Here we should pay much attention to sea borders in comparison with land borders on the continent, here is Japan's border. So naturally we pay much attention to the neighbors, Korean peninsula and China and Russian also.

So here is a new journal. The first number of *Japan Border Review* focus on China border issues; but we regret it is in Japanese that most of you do not read. But you are very lucky because some of today's speakers are the authors of the volume. It is a good chance for you to understand the realities of Japan and its neighbor's border relations, which are unfamiliar and wonderful to Washington audience I think.

Back to our area. Here it seems critical to discuss the border reality of sea issues with land issues (inaudible) the globe. For example, China -- China is basically a great borderland power in Eurasia. You know, it has more than 20,000 kilometer borderline in land with so many neighbor countries. So there's so many countries around China in continent. It means that presence of China borderland is much more than it's the sea area. It is reasonable to think that Eurasian powers border policy might extend to sea area.

Here is a map showing where conflictual (sic) borders on Eurasian continent. We divided three tiers, the conflict is concentrated right on the middle tier. However, current phenomena look interesting. The confliction zone gradually shifts from the middle to north and south. The sea conflict is more focused than before. We can't explain why. I think the continental sphere is narrowed for human life now thanks to rapid globalization of the world -- so the industrialization. And we have little room to continue to dispute conflicts here on the continent.

The proof out there such as Sino-Russian deal, Sino-Central Asian compromise, and any other solution of the border conflict in Eurasia. The continent is relatively calm and stable than before. On the other hand, sea is more featured for hunting energy and resources by letting humans advance technology and the activities utilize the sea zone. However, we do not have enough experiences and solution for the sea disputes yet. We must discuss the topic urgently and identify the way how we would coexist on the narrowing sea sphere for human beings.

Here are the three Eurasian giants but with sea outreach: Russia, China, India. Russia -- but we see here is the Arctic, recently focused for competition. India is basically a continental power that, as you know, India stretched to sea. And China, this thin purple is a disputed area. So that you know the sensational map of great Eurasian countries' future influential zone shown in Dr. Kaplan in *Foreign Affairs*. We should also discuss the reality of such kind of map including China and the Koreas.

As a conclusion, we have long frankly discussed the matter with Chinese friends. We are not isolated. The journal of *Japan Border Review* includes Beijing's leading border studies center expert view on China's maritime border. Here we today discuss with U.S. colleagues at Brookings. The Richard new book also feature the topics including Senkaku/Diaoyu.

Finally, I believe that Japan has been safe, surrounded by sea zone, a little bit far from the continental conflictual zone. We Japanese did not need to think the Eurasian borderland conflicts before. This is the reason why Japan did not have deep expertise on the border issue, why we must rush to set up the borders studies center and association. However, time has changed. With the land disputes calmed down, the sea disputes are at stake for Japan and its security. It is never seen before I think. Therefore, we are here in Washington to tackle the daunting challenges with our good friends for the alliance.

Thank you for your patience.

DR. BUSH: Now I'd like to invite Akiba-san to make a few remarks.

TAKEO AKIBA: Dr. Bush, Professor Iwashita, distinguished speakers, ladies and gentlemen, good morning. My name is Takeo Akiba. I'm the head of the political section of the Japanese Embassy here.

First, I want to thank Dr. Bush and Professor Iwashita for their hard work to organize this morning's discussions as well as Brookings Institute for hosting this timely event.

Given the current state of affairs, now more than ever the United States and Japan should examine together the challenges and the changes to freedom of navigation in East Asia as well as issues regarding North Korea.

These subjects are of particular interest to me because I was involved in the negotiation with the Chinese on the East China Sea oil fields development, joint development, and also I accompanied then Prime Minister Koizumi to go to Pyongyang for his first visit. So I was in charge of everything that got stuck later.

Freedom of navigation is critically important for Japan, which is heavily dependent on the maritime transportation of natural resources from all over the world. In order to secure freedom of navigation, we must ensure peace and stability in the region. This issue is, without any doubt, an area of cooperation amongst our regional partners, including China. China is already an economic giant and is rapidly growing, even now, and China is becoming more active and assertive in maritime activities as we observed in the South China Sea and East China Sea.

It is essential, therefore, that both Japan and the United States engage a rising China as part of our task of the U.S.-Japan alliance.

Then there are uncertainties surrounding North Korea. Its possible nuclear capabilities and succession process of the current regime. Actions from North Korea like sinking of the *Cheonan* in March, killing 46 soldiers, to the shelling of South Korea's Yeonpyeong Island last month. These are the subjects that we have to face squarely. We have challenges at the UN. The security council is not functioning maybe as we expect. We shouldn't create any more taboos for which the security council is clearly responsible and no actions are taken.

As you know very well, our Foreign Minister Seiji Maehara came to Washington D.C. last week to attend Trilat[eral talks] among Japan, U.S., South Korea, together with Secretary of State Hillary Clinton and the Minister of Foreign Affairs in Korea, Mr. Kim Sung-Hwan. They pledged to maintain an enhanced coordination and consultation on North Korean issues. Once again, I would like to praise the insight of the people here to organize this timely event to discuss the U.S.-Japan alliance and the challenges it faces.

Thank you all for coming and participating in this dialogue. I hope you enjoy this morning, and I wish you a very productive discussion. Thank you very much.

DR. BUSH: Thank you very much, Akiba-san. Let's now move to the first panel on Freedom of Navigation in East Asia, and for this panel we have three outstanding experts. First of all, Shin Kawashima, who is an Associate Professor of History at the University of Tokyo. If you want to know more about his biography, I'm sure there was a handout to that effect.

Second, we have Peter Dutton, who is an Associate Professor of Strategic Studies at the U.S. Naval War College and also affiliated with the Center for Maritime Studies Institute. He is a hidden treasure of the United States.

And, finally, Koichi Sato, who is Professor of Asian Studies at the J.F. Oberlin University in Tokyo.

So we will start with Professor Kawashima.

SHIN KAWASHIMA: Good morning, ladies and gentleman. Thank you very much, Moderator Richard Bush.

It is my great pleasure to be here to discuss about my topic, the Chinese boundary problem. As Professor Iwashita introduced, I published one article about the Chinese historical aspect towards the bordering problem in Japanese, but today I'd like to introduce all of the contents of the article. But I don't have enough time to talk about the history of the border problem in China because I have just 15 minutes here to talk about 100 or 200 years. So it is so difficult for me, so I summarized my articles in my handout. So please see the handouts of the summary.

The summary is written in a chronological way, but my presentation I cannot do so chronological explanation because I didn't have enough time. So I just keep the detail context or the process. I talk about important points on my article.

Basically speaking, my question is Chinese national border has different two images, which is correct; which is better to consider of this problem? The first image about the Chinese border problem is modern state solid border, which means China strengthens its sovereignty and hates interference in domestic affairs and recently, especially about after

1990s, China had solved the border disputes with Central Asian countries and Russia. And the other explanation about the Chinese attitude toward border problem is empire-ness, which indicates the change of a border of China. China has expanded its borders according to its development.

It is easy for us to find two kinds of explanations about Chinese border, which is a better or correct answer to understand Chinese border problem? I think both is correct. Historically speaking, both is two sides of a same coin, and we have to indicate or point out as Professor Iwashita has just said, the difference of the current situation of borders between inland -- land and the seaside, it seems different.

Now I talk about the current situation about the border problem in China or around New China. About inland borders after 1990s, China solved the border disputes with countries in Central Asia and Russia, as you know, they are the SCO, and made dialogue with India. Now the Prime Minister Wen Jiabao is traveling to India now. Rather a dispute with North Korea has been left, I think.

Then about the seaside borders. Under the new concept of security (Chinese), China tried to solve it peacefully at the East and the South China Sea and Yellow Sea. However, most of the trials were not successful especially in the South China Sea and East China Sea.

Recently China used the concept of EEZ and the continental shelf from UN's Convention on the Law of the Sea to strengthen and widen its sovereignty towards the sea. As you know, China claimed to U.S. and the South Korea's maneuvers recently based on the EEZ concept, and afterwards China compromised a little bit.

Then about the historical approach. Actually, I explained this part on my article. What is the original China? Where is original China? This is a very crucial and important point, which relating to the Chinese border problem now. China often insists that all the treaties, which were compiled by the empire powers, British, Japan, and other countries, were inefficient or illegal. And contemporary textbooks in China also strengthen the treaties' illegality and unfairness. And through the people's solidarity and the CCP's leadership, that the textbook strengthens, China could recover lost territories and national rights. However, this Chinese reconquista to recover the land and rights -- its mission to recover original treaty and rights has not been finished yet. This is the basic context of the textbooks.

As you know, in Hong Kong in 1997 and Macau in 1999 but China also is seeking to recover the other islands, for example, Senkaku Island and Taiwan also I think. Then such Chinese historical image is relating to the bordering problem because China basically seeks to recover such lost territories.

On this point, I think, we have to consider about how PRC set the original China. I believe these are key points. Actually after 1949, Mao Zedong ordered historians in China to decide the space of national history. Generally speaking, our historians write the

history of such national history basically illustrate the history in the national territory, but PRC does not and did not illustrate just in the current territory of PRC. So Mao ordered historian to resize the space of natural history. So several historians considered these matters, and in 1963, the historians, who was led by Professor Tang Jiran, decided it. How decided it.

Historians decided that the space unit of national history was set as a national territory or the dynasty's territory, Qing Dynasty, before 1940, which was apparently wider than that of PRC.

This is the image of the territory of the Qing Dynasty before 1840 when the Opium War happened, and after the Opium war, Qing lost the territory, including Hong Kong. Very, very interesting. What is interesting? Such a map of the Qing Dynasty drafted by PRC or current historians illustrates map on the same color and includes the islands of South China Sea so clearly, very interesting.

This is a map of 1911 when Xinhai Revolution happened. At that time, it was usual to illustrate the map of China with several kinds of colors. Because China ruled -- the Qing Dynasty ruled the provincial area directly; however, Qing Dynasty ruled Mongolia and Tibet indirectly. Okay. So provincial area where Qing Dynasty ruled the directly was illustrated by yellow. Okay. But the other part, outer part of China was not illustrated by such a clear yellow. But now the current map of Qing Dynasty now is illustrated by same color. This is the map of PRC now. This is apparently shrunked more than the map of the Qing Dynasty. The Qing Dynasty's map is much more wider. So this is the original China. This space is the unit of national history. This is PRC's territory. What is different?

Such a historical memory does not influence on the diplomatic policy about the borders directly. I just talked about the historical image. This image does not influenced on the diplomatic policy about the older problem directly. Actually, China will use realism discourse and the behaviors about the border problems. But, on the other hand, China ideologically basically recognizes that the recovery activity of the lost territory and the rights has legitimacy, especially in the domestic context in China and also believes that it has justice in the international context to recover the lands and territories.

So now I'm back to the first question on this presentation. I proposed two images, two different images about the Chinese policy or attitude toward the border problem. The first is modern sovereign state image or (inaudible) solid border. The other is empireness, expanding the border or the changeable border, two kinds of images.

My conclusion or temporary conclusion of my study project, China recognized most of its borders must be wider and recover the lost one ideologically. On the other hand, China sometimes strengthens its sovereignty to protect the territory in the previous days and to solve the disputes and the real necessity or some conditions, especially after the 1990s.

This is a map which was made in 1938 by KMT government, okay, in

Chongqing. Under the war was Japan and under the Japanese pressure. This map indicated that the red line was the original border, national border, of China and the black line is the current national border. So under the strong pressure of Japanese invasion, China's conception -- China's image of lost territory was expanded so much at that time.

So I think it is not wise for surrounding countries, including Japan to stimulate Chinese memory or Chinese nationalism, including now, I think. And also I hope and expect China does not combine the national memory and the real policies so strongly because basically China's historical image does not influenced on the policy directly. But sometimes nationalism influenced on the foreign policy of China about the bordering problem because PRC government now pays a strong attention to the public opinion for nationalism.

In recent, several years ago, Chinese setting of the national interest was revised. This point was influenced on the problem around the Senkaku Islands this year with Japan. Several years ago China setting in national interest was -- the priority just on the economy development. So Koizumi period, China separate the economic issue or economic development and border issues, but in this several years, China revised it and adopt the national interest to -- set of national interests to parallel on economical development and sovereignty and security.

So sometimes there are border issues or sovereignty issues influences on the economic issues. So this year when the Senkaku issue happened, maybe Japanese government does not grasp clearly such a difference.

Thank you very much for your cordial attention. Thank you so much.

DR. BUSH: Thank you, Professor Kawashima, for your sort of brilliant historical background. Sorry I had to cut you off. We now have Peter Dutton, who is going to talk about an American view.

PETER DUTTON: Well, thank you very much, Richard. Thank you for having me, and thank you very much for allowing me to share in this particular panel, which is very helpful and enlightening.

I'd like to begin by mentioning a couple of quotes. The first is this past week I had the privilege of being involved in a gaming exercise in which the CNO, the Chief of Naval Operations, gave a speech in which he said, "Navies exist to protect the flow of commerce, communication, and resources." These are the three fundamental responsibilities of the Navy, which Minister Akiba also alluded to when he said that "power and stability are required to support the free-flow of resources and commerce."

So what we have fundamentally as a Naval responsibility is this stability in the maritime commons that enables the free-flow of commerce and communication. Communication, of course, we can think of as protecting the internet cables under the oceans, but that's not really what we're talking about so much as what Bernard Oxman calls

maritime communication between states. It's the ability of states to support each other in times of crisis. Crisis sometimes comes as humanitarian assistance is needed in times of unexpected crisis but also times of political crisis. We can think, of course, of what is going on the Korean peninsula now as an example of that type of maritime communication that Navies are required to support in order to achieve the regional peace and stability that's essential to the free-flow of commerce and resources through the global system.

And so I've been doing a lot of thinking in regard to this particular topic lately, and I'm going to offer you perhaps a bumper sticker, which is the U.S.-China struggle over the norms that govern the maritime system, will it be a soccer match or a street fight? A soccer match or a street fight. In other words, will it be -- it will be competition, first of all. Let's just be honest about there. There will be competition. Will it be competition within an agreed set of rules, a framework of rules upon which we agree and which then enable healthy competition, or will it be a street fight? That is to say, competition with knives.

So I've been thinking about this particular problem and how do we make it more like a soccer match than a street fight in the future. What is going to be required if we all agree that a soccer match is what we're aiming for because it's essential for the regional stability that underpins the well being of states.

There are a couple studies that I'd like to reference in relationship to what I've been thinking about. One is by the Lowy Institute in Australia. I have a copy if anyone is interested to look at it after the break, and it's available online as well. But it's about Asian security futures, and four futures are looked at. Two essentially are for the purpose of discarding, I suspect. American primacy on one hand, PRC primacy on the other hand, and then there is a broad spectrum of potential futures in between, two of which were chosen.

One is essentially regional balancing, the other is a sort of concert of powers within the region. And it's very good because fundamentally what it reminds us is if you accept the fact that the primacy is probably unlikely in the 21st century in East Asia, that all of the futures along that spectrum require, fundamentally require, some sort of cooperative activity in East Asia to either maintain a balance of power or to maintain a concert of powers. Each of which is organized to provide stability in the region, which requires, of course, access to the maritime commons in order to achieve it.

The fundamental nature of East Asia is as a maritime region. Its geography requires it. Its geography demands it, and, therefore, it is the maritime aspect of stability that has to be the focus of bringing about the regional stability, regardless of which future we see for security in East Asia. This is focused on -- this particular study is focused on traditional security, as we think of it, interstate security issues. Providing the stability necessary, the political stability necessary in the region to ensure political stability does not disrupt -- or political instability does not disrupt the regional stability necessary for the well functioning of the global system.

The second study I'd like to refer you to was put out by the National Bureau

of Asian Research. It's a good study on nontraditional security, edited by Tim Cook, and he has done a very good job. There is a particular chapter in there by Sheldon Simon I like a lot actually, which talks about nontraditional security items in East Asia. Because remember the other function of Naval activity, other than keeping the maritime communications necessary for interstate communication functioning, is to provide policing power, the constabulary power, necessary to grease the wheels of regional functioning. This is not focused on state activity. This is focused on non-state activity. It could be disasters in the region that require a response from the maritime region. It could be illegal activities such as piracy, black marketing, human smuggling, drug trafficking, et cetera. There is a whole range of nontraditional activities that Navies are required to address as part of their constabulary function.

In this regard I would like to point out that Sheldon Simon articulates quite a bit of the activities that I think Japan is undertaking. I would say quietly undertaking very important stabilizing activities by the Japanese government and private entities within Japan to provide that kind of nontraditional security within the East Asian region.

The method that is chosen is to reinforce the capacity of governments to be able to provide the stability in their jurisdictional waters as is necessary. This is a very effective method in East Asia because East Asia is a region in which there is essentially functional governance, not only on land but at sea as well. And the challenge in East Asia is to increase the capacity for functional governance at sea.

This method has to be supplemented, not only in East Asia but in other places -- Somalia is a classic example -- with the right of Navies to undertake the stabilizing activities in jurisdictional waters of other states that are necessary to provide functional governance where the coastal state has no capacity to provide that governance. In other words, Somalia has no ability to provide stability from illegal activities, nontraditional threats, in its maritime waters. Therefore, the international community has to, as a matter of right, undertake those activities. It's the simple balance between coastal states and the international community of rights and obligations in these jurisdictional waters.

So what we see is this struggle between China and the United States over the norms that will govern the global system. And China is attempting to pull those norms toward -- out of the current balance into a balance that favors the ability of coastal states to jurisdictionalize their waters at the expense of the right of the international community to exercise either traditional security functions or nontraditional security functions in the coastal waters of another state, fully out to 200 miles at least.

Now this is a challenging problem, right? This is a tension between two fundamental approaches to governance at sea. One which I believe is essential to success, and that is based on freedom of navigation, and the other which I think would actually -- the Chinese approach -- would create what I call zones of sanctuary. These are, in other words, extending zones of full coastal state control where the international community has no right to employ its Naval activities in ways that would create sanctuary for destabilizing activities to have more freedom of action to operate because coastal states have insufficient capacity

to suppress the activities in that region.

So there are a host of problems in East Asia that are looking for solutions. I'd like to turn my point a little bit here, and I will come back to the street fight versus soccer match analogy in a minute.

There are a whole host of problems in East Asia that are looking for solutions. They're searching for solutions. The South China Sea is a classic example. Currently, there are three categories of disputes: disputes over sovereignty, disputes over jurisdiction, which is fundamentally about resources, and the third is the dispute over control, right. Sovereignty is the rocks themselves. Jurisdiction is about the resources in and under the waters, and control is about this question of the balance of coastal state rights versus international rights. They have different parties and different dynamics to each of those disputes. But in the sovereignty and jurisdiction questions, the regional states are pursuing win-lose solutions. Sovereignty and jurisdiction are win-lose propositions. It's either my island or it's yours. It's either my jurisdictional zone or it's yours.

My point is that the problems in the region are begging for some other regional solution rather than the win-lose solution of sovereignty and jurisdiction that are being proposed today. The old norms themselves of sovereignty and jurisdiction, which are embedded in UNCLOS, are, in fact, exacerbating or even causing regional conflict in this regard. So in addition to the pressure being put on the norms by China in terms of that balance of coastal state and international rights, there is also pressure on the normative activity based on the first two categories of disputes, disputes over the island themselves and the resources in the waters around them.

So in all of these three areas of disputes, sovereignty, jurisdiction, and control, we have pressure on the normative architecture that currently exists today. It suggests two things. It suggests, number one, that over time the normative architecture will inevitably have to evolve. Because the current set of solutions is probably insufficient in some way to address the developing problem sets, problem sets for the 21st Century. So evolution in my mind is inevitable in the face of this pressure.

And the second problem is that -- or the second thing that it suggests is that these are issues over which there is a high probability of conflict. As states put pressure on the system, it will break, if it doesn't evolve, and states may have -- may push toward a conflict as a way of resolving issues in their favor. So there is pressure, and it's a pressure that could result in conflict are two things we have to be aware of.

So coming back to the soccer match competition with rules or street fight competition with knives. It becomes increasingly important then, I think, that all major powers within the East Asian region, but most especially China and the United States agree to work from a common framework, a common normative architecture -- to agree on and to support a common normative architecture.

Now I'm not saying that, especially in the area of traditional security, that a

renegotiation of the norms is appropriate. It's not appropriate. The United States requires freedom of navigation in order to ensure traditional security activities -- traditional security does not disrupt regional stability. But all sides have to accept to be bound by the existing system. And that suggests to me, first and foremost, that the United States must enter UNCLOS in order to ensure the stability of the current architecture within which the United States and China can both compete effectively, a soccer match essentially.

Now I will note that UNCLOS, in my opinion, preserves American power amidst change. I think this is an important thing to remember. The norms that are in UNCLOS preserve American power amidst inevitable change. So that's an important thing for us to remember. The second is that, as a general rule, disorder tends to present opportunities for a rising power and order tends to favor the established power. So these are three points I think that are worth making in support of American accession to UNCLOS.

China needs to agree to be bound as well, not by novel interpretations of UNCLOS but by existing interpretations of UNCLOS, with the recognition that over the course of the 21st century, if we all agreed to be bound by the existing norms, those norms will inevitably evolve in ways that help to resolve the challenges that we currently see putting pressure on the normative architecture that currently guides and governs us all. But the question then will become, we'll be inside a normative architecture from which to work towards an evolution that operates effectively for both sides or for all sides, and in that sense we can prove power transition theory wrong for the 21st century. We can, in fact, enter a normative architecture and evolve that normative architecture together in a way that suits the interests and the needs of the 21st century.

In the meantime, of course, it will require restraint. Restraint in the application of what one perceives as one's rights, but also certain insistence on those rights and, therefore, at times it will require an exercise of those rights in ways that could be seen as provocative. If both sides understand what the actions are in an attempt to preserve one's rights, then it doesn't actually need to be provocative. So an exercise of political restraint is also called for in this regard.

So I think rather than overstay my welcome, I'll leave at that point, and I will look forward to any questions you have later. Thank you.

DR. BUSH: Thank you very much, Peter. That was really excellent, and now we invite Professor Sato.

KOICHI SATO: Thank you, Chairman. Today I make a presentation on China's frontier issues concerning territorial claims at sea. Much has been said about a rapid increase in number with Chinese maritime deployments, including activities of the People's Liberation Army, PLA Navy, and Chinese maritime safety agencies' activities in the East China Sea and the South China Sea. There are Senkaku Islands in East China Sea and four island groups, including the Spratly Islands, in the South China Sea. It is said that China not only claims their rich natural resources, but also eyes control of the sea lines of communications, SLOC.

How does China view the International Law of the Sea? What is their capability? It is difficult to know everything about this subject, but I have tried to analyze some collections of information about the East China Sea and the South China Sea.

What is the Chinese interpretation of the Law of the Sea and their actual control of the sea? China delineates the EEZ and extended lines of the continental shelves based on the median line and the rule of fair balance in general.

What it means? Let's compare East China Sea and Gulf of Tonkin. If we follow the common understanding of the International Law of the Sea, the boundary between two countries should be delineated as a median line. So the Japanese government asserted the median line as our border between China and Japan in the East China Sea. But China asserted the extended lines of the continental shelves as a boundary, so we never agree with it.

In the case of the Gulf of Tonkin -- left drawings -- China and Vietnam decided on the median line as a border of the EEZ in the Gulf of Tonkin in year 2000. And China never take the lines -- extend the lines to the continental shelves because this is rather closer to China's Hainan Island it is disadvantageous to China. So China's principle for delineating the borders, it's to select the median line or extend line of the continental shelves, whichever is preferable to China. There is no legal consistency.

Then I'd like to introduce Japan's Senkaku Islands to you. The Japanese government controlled Senkaku sea areas though Chinese maritime security agencies' patrol boat come closer to the sea area sometimes. The left one is Uotsuri Jima Island. This is the biggest island, 4 square kilometers, and it has freshwater resources. The right one is Taisho Jima Island. The next one, left one, is Kuba Jima Island. The last September's ramming incident of China's fishing boat against a Japan Coast Guard patrol vessel happened beside this island. And left one is Kita Kojima Island and Minami Kojima Island.

And historically, the Chinese government recognized Japanese territorial sovereignty on Senkaku Islands. And before World War II, the Japanese fishermen lived in the Senkaku Islands. This is one of the evidence: the Republic of China's letter of appreciation to the Japanese citizens who rescued the castaway Chinese fishermen at the Japanese Senkaku Islands. This was May 20th, 1920.

Next issue is the South China Sea. There are four groups of islands in the South China Sea, namely Pratas Island, the Paracel Islands, Macclesfield Bank, and Spratly Islands. The focal point is the territorial dispute over the Spratly Islands. According to Chinese sources, the sea area of the Spratly Islands is around 800,000 square kilometers. The sea area includes 230 islands, reefs, and cays. But if we follow the definition of the International Law of the Sea the number of islands is just 25. All the islands, reefs, and cays are claimed by China, Taiwan, Vietnam, and some part of the

islands and reefs are claimed by the Philippines, Malaysia, and Brunei. The sea area of the Spratly Islands is believed to be rich in oil and fishery resources, though no oil detection has yet been successful. China occupies 7, Taiwan occupies 1, Vietnam occupies 21, Malaysia occupies 5, the Philippines occupies 8. Almost all of the claimants, except Brunei, have built artificial islands and emplacements to station troops.

Another focal point is the Chinese broken U-shaped line on the map of the South China Sea. China asserted historical rights to four groups of islands covered by the line and dispatched gunboat and maritime safety agencies' patrol boats to those sea areas.

What is the meaning of historic waters? If we follow the common understanding of the International Law of the Sea, historic waters have geographically special features, such as an inland sea -- for example, Japan's Seto Naikai, Seto Inland Sea -- which the coastal country has treated as territorial water by custom and history. It's controlled the sea area effectively and no country lodged an objection against the practice. Regarding this interpretation, one thing quite important is the Chinese Ministry for Foreign Affairs keeps silence. They never take any of the comments on this.

And in the case of the South China Sea, all of the coastal countries asserted their claim on the territory -- territorial sovereignty. So if China would like to take this as historic waters, their assertions are rather groundless. But also, more of the claimants surrounding South China Sea, their assertions seem to be persuasive. So everyone has a right to negotiate.

Next please look at this handout. This is my hand drawings of one of the Spratly Islands. This is Malaysia's occupied Swallow Reef, reef is such a shape, and there is artificial islands. You can understand that there is an airstrip, left picture. And the right picture is artificial island taken by its lagoon. And the Malaysian government developed it as a diving resort and the Malaysian government built a hotel. And the hotel manager is American and guests, most of the divers, are from Japanese and also the Europeans. Most of them are resident in Kuala Lumpur or Singapore. This is a very important point. If China would like to take this island, Americans, Japanese, and the Europeans automatically get involved. So they are hostage of Malaysian governments. Malaysian leaders very clever. And also they stationed 50 soldiers there. This right picture is a Malaysian navy base.

Next, what is the reality of China's naval strategy and its capability? It is said that China delineates the first island chain and the second island chain. The first island chain is extended from the broken U-shaped line. And China's first and second island chains signifies a two-step defense strategy to control these islands in some part of the sea lines of communication surrounding China in accordance with the region's power transition.

The second point, the region's power transition and the development of the PLA Navy. In short, regarding the development of the PLA Navy, actually until late 1980s, it's quite rare Chinese gunboat appears in the blue waters. The first occasion for

the PLA Navy to traverse the Pacific Ocean was 1997. Then they visited Hawaii, also some of the South American countries. Their deployment to blue waters and build up plan of warship seemed to be very rapid.

Now, let's compare the main warships of the U.S. Navy, Japan Maritime Self Defense Force, and the PLA Navy. Look at the percentage of the gas turbine engine. Actually the U.S. Navy, most -- all of the gunboats, except the aircraft carriers, employ the newly developed gas turbine engine. Your aircraft carrier all nuclear power. And in case of the Japanese Maritime Self Defense Force, 75.5 percent of vessels take a gas turbine. But in the case of the Chinese Navy, just 9.2 percent. So most of the Chinese Navy's warships are still utilizing an old diesel engine.

Also, China utilizes rusty, old submarines, also the newly developed Russia-made Kilo class submarines. So they mixed up the old and the new submarines.

The total number of Chinese warships is actually 2 times our Maritime Self Defense Force's, though the number of seamen is 5.2 times. The PLA Navy's oversupplied with crew. Also the number of the tankers, the PLA Navy's tankers, is just five. This is equivalent to our Maritime Self Defense Force. So we can safely say the Chinese Navy's developing, but they are still at the beginning stage of the blue water navy.

How does such an inexperienced navy rapidly deploy their fleet to blue waters? Actually their appearance in the blue waters is now quite prevalent. It seems that the PLA Navy has dispatched elite fleet and skillful crew repeatedly for blue water operations. Also it is said China plans to construct two aircraft carriers, so many people in the United States and Japan sense China's threat.

But if we define warships with flight deck as an aircraft carrier, they are not rare in East Asia. The U.S. Navy has 11 large carriers, so you are different from the run of the mill. But even in case of the Thailand have a small aircraft carrier, *Chakri Naruebet*. South Korea has *Dokdo* and our Maritime Self Defense Force last year commissioned *Huga*, left picture.

So next point is the payload of the aircraft on the aircraft carrier without a steam catapult is limited. This is actually the USS *Independence*'s steam catapult. I don't know really Chinese Navy has a capability to develop a steam catapult or not. But even in case of the French Navy, the technologically very advanced navy, they cannot develop their own steam catapult by their own engineers. They imported from the United States. So for the time being, I don't think China's aircraft carriers do matter much.

How to respond to China's maritime deployments. This is the last point. Japan and the United States should watch China's maritime deployments carefully, though we need not regard China as an enemy from the outset. The PLA Navy as a whole is not ready for the blue water operations. We should ask them to accept the regime of the International Law of the Sea, which secures the freedom of navigation

through the conference diplomacy in the Asian Pacific region organized by ASEAN countries. There are so many conferences: ASEAN Regional Forum, ASEAN Defense Minister Meeting Plus, also the Regional Cooperation Agreement on Combating Piracy and Armed Robbery in Asia. This is a Coast Guard meeting. Also, we have the East Asia Summit.

And if our persuasion is fruitless we should consider some countermeasure or defense. The Japan-U.S. Alliance should work as insurance for the regional countries against China's maritime disturbance. We should promote the cooperation of maritime non-traditional security issues and search-and-rescue exercises wisely. Further, Japan and the United States should consider more concrete ideas bilaterally for the East China Sea maybe.

The last point. We have another headache because at the Chinese side there are many maritime security agencies except the Chinese Navy. At least they have five maritime security agencies. So if a simple comparison is allowed, China may come to be regarded as a multi-headed dragon whose every head, every ministry, under every department, they want the maritime affairs to go its own way. So it's quite difficult for us to persuade or and negotiate with them. But we should carefully watch them all and we should prepare some shield, not sword.

I think that the United States' existence in the East China Sea and South China Sea is most important. And your power should be accompanied with a neighboring country of China's.

Train hard. God bless you. Thank you very much.

(Applause)

DR. BUSH: Thank you very much, Professor Sato. So I think we've had three outstanding presentations. Professor Kawashima described the historical conceptual lenses through which China has viewed border issues, and these lenses still have some relevance today.

Peter Dutton talked about the critical choice concerning the maritime comments in East Asia. Is it going to be a soccer match or a street fight? And he identified three different issue areas: sovereignty, jurisdiction, and control. And then Professor Sato discussed these three issues in more detail.

We now are going to open up the discussion, open up the floor for a discussion. And I'm happy to invite members of the audience to ask questions or make comments. Once I recognize you, please identify yourself. Wait for the mic before you identify yourself, and then also indicate to whom your question is posed.

So, who would like to ask the first question? Scott Harold?

QUESTION: (off mike)

DR. BUSH: I think the whole sound system is bad, actually, except for this mic. Scott has a very strong voice.

QUESTION: My question is to Professor Dutton. You gave us an exceptionally useful analogy between soccer matches and street fights. Especially useful because hooliganism is a big part of soccer matches, not just in England, but also in Chinese-Japanese soccer matches there's a lot of hooliganism.

The reason I think it's useful, Professor Dutton, is because you did comment that we need to try to convince China to accept certain norms. And if we do convince China to accept certain norms, we'll get closer to the soccer match end of the spectrum.

One thing that comes to mind, however, is that if you know the history -- as I'm sure you do -- of the CCP and its struggles to obtain power inside China, it has long engaged in and practiced the art of united front tactics. It has also long believed in the use of the mass line as a way to mobilize additional social forces besides simply those attached to the PLA.

And so if we look at how China has conducted military operations, perhaps even paramilitary or pseudo-military operations such as those conducted against the *USNS Invincible* or in the recent Senkaku tie up, there's a lot of suspicion that that is evidence that it's not simply a PLAN issue, it's actually directed from on high as a strategy of kind of (Chinese), you want to blur the edges. You don't want to be clear about who the conflict is with. Is the conflict with China the government or China the people?

And I guess what I'm asking here is for you to reflect for us a bit and help us think through this issue. Where do you see the opportunities to actually convince the CCP or the PRC government that its long-running involvement or belief in this sort of approach to politics as kind of a street fight disguised as a soccer match, or a soccer match where one party has easy reference to terms outside of the rules that the other party plays by, how do you convince them if it's possible, in your view, that actually it's in their interest and, normatively, they should believe that it's the right thing to do to play by rules that the other parties play by? Because I don't see the U.S. sending large numbers of our commercial fishing fleet or the Japanese commercial fishing fleet over to harass PLA naval vessels when they happen to pass by Japanese islands, or out into the waters of the Western Pacific. So, thank you.

DR. BUSH: Okay, thank you. Peter?

DR. DUTTON: Well, thank you very much for the question.

And I think I'd like to first say that I coached soccer for quite a number of years and I recognize that throwing elbows is part of the game. So, I think it's one of the things that we have to recognize, is that states behave according to their interests, regardless of what the rule sets are, right? And so sometimes there will be, you know,

some throwing of elbows.

And so this is why I say political restraint is also an important aspect of this. You know, because we have to recognize that there are ways in which the current normative architecture don't fully work for either side, or at least some of the political bodies within the body politic of each side have some challenges with the existing normative architecture. So, I recognize that throwing elbows will occasionally occur.

Second, as to the question about the blurring of edges as to just sort of where the policy motivations are coming from. This is a really interesting point, and I actually believe in a lot of ways -- I use the phrase a studied policy of ambiguity is the Chinese approach. I use this at least in reference to the nine dash line in the South China Sea, where China has four different basic approaches to what that line might mean, and the government has carefully, studiously avoided actually choosing any of them. But brings a, you know, one or the other perspective out as suits the particular occasion.

So, that is an example of which the government, I think, has taken advantage of the opportunity to at least leave the impression that there might be various competing policy perspectives subordinate to the government's decision-making processes, and that no one particular perspective has become dominant. And therefore as it chooses to use a particular perspective at any given time it could be the government's choice. Or it could be a policy ascendancy by a particular group or something else, right? That ambiguity suits the government's needs. I recognize that.

I'd also like to suggest, however, an alternative explanation to some of the ambiguity. One is that there is, in fact, policy ascendancy at various points in time and that we do have the ability to shape that -- those -- you know, how policies are expressed within China, at least. And I would like to compare 1995 to 2010 in the South China Sea.

1995, after the Mischief Reef incident, China really had gotten a pass over the 1974 Paracels, the 1988 Fiery Cross Reef incidents, because at that point in time Vietnam was disfavored, I would say, among Southeast Asian states because of its invasions of its neighbors and because of its close relationships with Russia. China, it would seem, got a pass. There's at least some good scholarship that suggests that's the case.

However, the Mischief Reef incident was in relationship to the Philippines, all right? A different country. And that coalesced Southeast Asian opinion against China. That and probably some other activities changed Chinese behavior.

Between 1995 and roughly 2009, China's focus of its policy in Southeast Asia shifted from where it was in 1995 on its sovereignty and security questions, making gains in those questions in the South China Sea region, to two of its other objectives: regional integration and resource development. More regional integration than resource development, but it shifted to those other two objectives.

Why? Because of the pressure of a united Southeast Asian political approach. And probably also because of American attention during the Taiwan Strait crisis in 1996. That certainly didn't hurt it. So China's behavior changed. And between -- not that its objectives changed, but its behavior changed. And between about 1995 and 2009, I would say, China focused more in Southeast Asia on regional integration.

But beginning -- in my view, beginning roughly with the *Impeccable* incident in 2009, what we saw was a shift back to a focus on the security objectives and sovereignty objectives, perhaps at some expense to the regional integration and resource development objectives in the South China Sea region. That shift for about 15 months went relatively unchecked, and there are a number of incidents we can all recount from reading the front pages during that time, until about the end of July 2010, when Secretary Clinton at the ASEAN Regional Forum in Hanoi, I think, made a very important speech and she emphasized that freedom of navigation in the region would be important to the United States. In other words, she emphasized the third of the three issue areas, right, the issue of control. That the United States would assert its interests in the East Asian region in ensuring freedom of navigation at the expense of the Chinese expectation that its norms would become ascendant in that regard.

My view is that perhaps we've seen a similar shift in Chinese attitudes away from security and back into, perhaps, more focus on their regional integration and perhaps resource development initiatives since July, since that time when the United States made it clear. So it's not just the United States, it's also ASEAN pressure as well, Southeast Asian states, that that made it quite clear during the entire time the Vietnam's chairmanship of the ASEAN that China's behavior would not fly.

And I will say, last month I was at the Ho Chi Minh City conference hosted by Vietnam on the South China Sea. It was hosted by the Diplomatic Academy of Vietnam. And what was striking to me was that everyone of the Southeast Asian states represented there made clear to China that the single largest impediment in moving forward in the South China Sea disputes is China's ambiguity about what exactly the nine dash line means.

DR. BUSH: Thank you very much. Eric McVadon, then we'll go there.

QUESTION: Eric McVadon, the Institute for Foreign Policy Analysis.

Peter, I think there's an importance subtle distinction, and I think you've hinted at it. When we say freedom of navigation, one thing that can come to mind is disrupting merchant ships traveling through the South China Sea. Another is to whether we can freely collect intelligence near the Chinese coast. I think that is an important distinction.

I'm wondering if any of us have seen any hints that the Chinese think it would serve their interest, somehow, to disrupt the flow of merchant traffic. I haven't seen that.

I think it's also been interesting, along with what you just said, that I keep hearing hints of backing off on whatever that core interest statement was to make that a softer thing. But there's one other point that came up when I was at the Shanghai Institute for East Asia Studies in October, and I heard a different concept proposed. I asked them what are you doing? Why are you becoming so pushy and aggressive and assertive? And the reply was we are trying to establish the limits and the rules of our area of influence. In other words, I was hearing a Monroe Doctrine stated for what China was up to and I thought that was an interesting formulation. Of course, it just came from one mouth. It was a well-informed mouth, but anyway it seems to me that maybe there is more subtlety in this issue than we might have otherwise recognized. And I would appreciate your comments and those of any others on those points.

DR. DUTTON: Well, thank you. Admiral, it's good to see you again. First, the question of freedom of navigation broadly. What is it that we mean? Because I think you're correct in that we actually talk about different things in different ways.

I will say that the United States talks about freedom of navigation, and includes not just free passage for merchant vessels. Which I agree with you, that China has given absolutely no indication that it has any interest or intention of impeding. Obviously, the free-flowing of resources and goods suits China's interests as well.

China does -- the Chinese do -- contest freedom of navigation for military operations, right? And I will say that I have even had discussions with senior Chinese academics and officials who regard this question of military activities as even accepting out passage. In other words, when the Chinese say we accept -- that we will accept your important interests in navigation through the South China Sea, for instance, or through the East China Sea or in --

QUESTION: What about innocent passage?

DR. DUTTON: Sort of an innocent passage regime. In other words, they recognize that strategic mobility between the, you know, naval bases in Hawaii and the West Coast to places such as the Gulf of Arabia are an important, you know, interest of the United States that China has no intention of impeding. Movement, right? It's the actual operations themselves. Exercises, intelligence-gathering, high traffic surveys, military surveys, the whole panoply of actual operations is what the Chinese object to.

And I did note a couple of the statements that came out of the Chinese government, in fact, in early August, in the wake of the ASEAN Regional Forum stated, we don't dispute the right to freedom of passage. They didn't use -- or at least the translated version didn't use the term "freedom of navigation" because the United States kind of loads that with so many different activities.

As to a Monroe Doctrine? I conceptualize what the Chinese are attempting to do this way. They are, in my view, attempting to expand their sovereignty,

right? From -- rather than ending at the water line, they're attempting to expand de facto sovereignty, as we think of it, into the near seas: the Yellow Sea, the East China Sea, and the South China Sea. That's essentially what they're attempting to do.

Moving beyond that is a zone of control. So sovereignty and control. So extending control, the ability to control events over the near seas is another way of looking at that as well. Moving their ability to influence events out yet another stage, and then their strategic reach yet one stage even beyond that. So, control, influence, and reach are the three basic postures, I think, that the Chinese are establishing. And attempting to move those zones, at least one stage out.

Whether that's a Monroe Doctrine or not, I don't really know. I do think that the Chinese see a role for the United States and other powers in East Asia. Whether it's comparable to the American Monroe Doctrine I just can't say.

DR. BUSH: And, Peter, would you say that from the point of view of a strategic planner in Beijing, for purely defensive purposes you would like to sort of push out China's strategic perimeter?

DR. DUTTON: Yeah, absolutely. This is -- the thinking of what we call a central power that develops security based on interior lines that are fortified with zones of security reaching out beyond them. Which conflicts with the fundamental approach of the American security, which is to operate on exterior lines. We move our security interests abroad in order to achieve our security interests.

So, the fundamental geo-strategies are in conflict to begin with. But that doesn't mean, in my view, that doesn't mean that that inevitably has to result in conflict.

DR. BUSH: Right.

DR. DUTTON: I think it is possible to find a modus operandi to have at least stability as norms inevitably develop over the 21st century.

DR. BUSH: Professor Kawashima and Professor Sato, do you have any responses to Admiral McVadon's question?

DR. SATO: Freedom of navigation is quite important. But also, some cases -- some symptoms of the Chinese side extended the interpretation as a territorial water extended to the line to the continental shelf. So, some cases their interpretation is a bit suspect. So, we should explain to them what is common understanding of the International Law of the Sea.

Also, I hope you all Americans please press your Senate to ratify the United Nations' Conventions on the Law of the Sea. Because unless others, United States, ratifies UNCLOS not so many countries would like to follow the correct definitions.

Thank you very much.

DR. BUSH: Thank you. Next question? Oh, I'm sorry.

DR. KAWASHIMA: Yeah, sorry. I think it is necessary for us to pay attention to the internal law, domestic law, in China about the maritime problem. So, because the contents of the maritime law in China, I think, is a little bit different from the UN law because the domestic law strengthens the sovereignty toward the EEZ and the continental shelf.

So, I think it's necessary for surrounding countries to keep dialogue with China about this problem about the law -- maritime law. But at least we have to understand how China thinks or makes definition about this sovereignty in the maritime or something, I think.

DR. BUSH: Gentleman there? And then I'll come to Rob and Gill. Well, okay. Rob Warren.

QUESTION: Rob Warren. I'd like to pick up on your paper, Richard. And that is the fact that this could be a very quick escalation. It's the miscalculations between navies could cause a real confrontation and, perhaps, even an outbreak of hostility. What is the chance of having a dialogue with the parties involved? How could we go about easing these tensions and reaching an understanding?

DR. BUSH: Well, thank you for the question. I think first of all that, you know, there needs to be a sort of strategic understanding at the level of top leaderships, because all of this is taking place within a broader sort of security dilemma and sort of deep, mutual mistrust about the intentions of the other. So, I think for example that President Hu Jintao's visit to Washington next month provides an opportunity for the two presidents to try to bound this problem.

Second, I think that -- I agree fully with Peter that we need to move towards interaction within a common or shared framework. Perhaps a starting point for that with positive practical consequences would be an agreement among China, Japan, United States, South Korea on some conflict-avoidance mechanisms, so that as navies operate, particularly in geographical points of tension, that they have their own little mini-soccer match. You know, it may not be a soccer match yet that applies to the whole area, but at least in -- you know, there will be rules of the game.

Finally, I think one of the main lessons in my study is that while there are problems out on the maritime commons, there are also problems within the decision-making systems of the countries concerned. And there are even bigger problems with the politics in the countries concerned. And that's what really sort of spins these things out of control.

So, you know, the governments need to improve their crisis management capacity. They need to start educating their public on why China-Japan relations, for

example, is good for both countries. And, you know, they have a lot to lose by having a street fight in the East China Sea. They have a lot to gain by turning it into a soccer match.

Gil.

QUESTION: Gil Rozman, Princeton and the Wilson Center. I have -- since we have Japanese speakers here, I would like to pinpoint the Sino-Japanese issues a little more directly. In the -- in Kawashima-san's presentation about China's historical claims, is there a reason to include Okinawa? And is there reason to discuss how China is reassessing the role of Okinawa in history, and whether Japan's entitlement to Okinawa is justified?

Apart from that, in the effort to build up China's presence in the East China Sea and Okinawa -- Japan's presence, I'm sorry. Is there another part to this strategy of saying, yes there will be some discussion with China of a territorial dispute over Senkaku/Diaoyu? After all, for decades the Japanese said Soviet foreign policy is terrible because they won't recognize the existence of a territorial dispute and negotiate. And now the Japanese are saying, essentially, we won't recognize the issue of a territorial dispute with China. It seems inconsistent.

Can Japan have a dual strategy of talking to China about this while building up its military?

DR. KAWASHIMA: Thank you very much. A very crucial problem in the Eastern Sea. Historically speaking, Okinawa or Ryukyu was one of the tribute countries towards China. So, some Chinese in the historians' field recognize it is illegal that the Japanese rules Okinawa Prefecture. And ROC, Taiwan, also did not recognize Okinawa is now belong to Japan legally.

And both sides, Taiwan and Beijing, also claimed -- both -- yes, PRC and ROC claimed that the process of turning back Okinawa in 1972 was not so correct. This is a point, okay? So, this point is relating to the United States' attitude toward it.

And the Senkaku problem, it is a very interesting problem. I talk about two problems. On the process of the disputes, or the problems of Senkaku Islands, Chinese media paid strong attention to the Okinawa's public opinion. Ishigaki Island and other Okinawa islands, their attitude toward this problem. So, Chinese media was surprised that Okinawa's people agreed on Japanese rule towards the Senkaku Islands. So, no Japanese media did not report this news but the Chinese media so -- paid strong attention to this point.

The second point, in the East China Sea there is the other problem of the Yonaguni Islands because Japan recovered the rights of the protect on the air on the Yonaguni Island, because half of the rights on the air was divided to ROC after 1972 or after 1949. But this year, Japan suddenly recovered it. So ROC government has claimed so strongly that in de facto, the level -- Japan recovered it. So -- and also ROC scholars

claim that Japanese such attitude -- and also claim Japanese rule toward all of Okinawa Prefectures. And so on and so on.

This historical problem influenced on now the many -- a series of problems. And also, but basically speaking, PRC and ROC media and the government seemingly paid attention to the public opinion in Okinawa Prefecture.

Thank you.

DR. BUSH: Professor Sato, do you want to make a comment? Okay. Oh, yes, please.

MR. AKIBA: Because you mentioned the consistency of Japanese diplomacy, I think I have to comment.

On the issue -- you know, when you talk about consistency you -- yes, you should have consistency on the same situations. But I think situations in Northern Territories and the Senkaku, are totally different. In the Northern Territories we had -- we saw clear violation of neutrality treaty by the then-Soviet Union. But on Senkaku Islands, we suddenly see this statement by the Chinese side that they have somehow sovereignty over it after 1970s, when the UN issued a report that there are a lot of natural resources surrounding the islands. So, the situations are different, first.

And the second thing is that on Northern Territories, Japan proposed to go to the court once. Of course it was rejected. And on Senkaku, I have to draw your attention to the fact that we have been the party to the ICJ, International Court of Justice, since 1954. And we accepted compulsory jurisdiction of that court without any reservation, like exempting territorial disputes from its jurisdiction.

So, theoretically if someone claimed sovereignty over something that we -- Japan -- effectively controls, they could have gone to -- they could have accepted the same level of commitment of the jurisdiction of the court and bring Japan to the court the next day, which nobody did.

I'd like to stress that Japan is, therefore, very strongly committed to the peaceful settlement through judicial measures. That's my comment, thank you.

DR. BUSH: Thank you very much. Professor Sato?

DR. SATO: Yes, thank you. Thank you very much. I'd like to follow some point of Mr. Counselor. People's Republic of China also recognized the Senkaku Islands as Japanese territory in an article of *People's Daily* 1953, 8 January 1953. This is also mentioned by our foreign minister, Maehara.

People's Republic of China suddenly began to assert their territorial claim on 4th December 1970. This is just after the publication of the Okinawa return, also, after the result of the United Nations investigations of the sea bed resources. So, some of

the Japanese diplomats says that power transition and also the marine resources is relevant to the Chinese change of attitudes.

Thank you.

DR. BUSH: Peter, do you want to?

DR. DUTTON: Just a quick comment about the Yonaguni issue. Yonaguni, for those who may not be aware, is the very southwestern-most island in the Ryukyu island chain that is Japanese. And the air defense identification zones between Taiwan and Japan split the island in two. This is because those air defense identification zones were created by the United States in the wake of -- during the period of occupation. And not necessarily sensitive to some of the regional issues.

So first, I think Japan was correct to adjust the air defense identification zone boundary. And second, I wrote an article published about a year ago in the *American Journal of International Law* called "Caelum Liberum." It's the corollary to Mare Liberum, freedom of the seas. It's Caelum Librum, freedom of the skies. And what its intent is to do is to reflect an American perspective on freedom of the skies, but also to confront the Chinese attempt to jurisdictionalize the airspace and to use air defense identification zones to do it.

So, were I advising the Japanese government, I probably would have advised them to do the same thing.

DR. BUSH: Another question. In the back?

QUESTION: Ann Shao, National Chengchi University.

MR. BUSH: Can you put the mic closer to your mouth? Can't hear you.

QUESTION: Ann Shao, National Chengchi University from Taiwan and also public policy scholar at Woodrow Wilson.

I would like to ask the Japanese experts the question about Mr. -- sorry.

DR. BUSH: Dutton?

QUESTION: Mr. Akiba has mentioned about the -- Japan's acceptance to the ICJ compulsory jurisdiction. But I would also like to ask about Japan's position on laying aside difference and pursuing joint development concerning the prospects of that guiding principles, which was first proposed by Deng Xiaoping to Japan in the 1970s regarding the Senkaku Islands and what is Japan's position on that. So, I would like to ask this sort of first question.

And the second question would be, what is Japan's interpretation of freedom of navigation? Because I understand that there has also been some military activities by China in the past in Japan's EEZ.

My question to Professor Dutton is about that -- could you enlighten us a little more on the measures that or the efforts that's now currently being made between the United States and China on resolving their different legal interpretations on the freedom of navigation? And what difference would it make if U.S. became a party to the UNCLOS in terms of resolving their legal disputes.

Thank you.

DR. BUSH: Okay. Did you all hear the questions? No, the -- okay, whatever you want. It looks like they're deferring.

MR. AKIBA: On the first question on the -- Mr. Deng Xiaoping's comment. I know that he said things to that effect, but I don't think there was any agreement whatsoever to engage -- to be engaged in the joint development in the territorial waters, whatever, near Senkaku. I don't think so.

And the second question about the military activities in the EEZ? Currently, Japan's official position is that we do not take any position, because the law on this particular matter is still evolving.

Thank you.

DR. BUSH: Okay, Professor Sato? Professor Kawashima? Do you want to say anything?

DR. KAWASHIMA: Yeah. As a historian, I mentioned one point about the negotiation between Japan and China in the 1970s about the Senkaku Island problem because now Japanese government opened some diplomatic document about this problem. And also, Taiwan ROC has opened its archives.

When you check the archives on the Senkaku Island problem you can understand Deng Xiaoping and other diplomats are -- both Japan and China put aside, okay? The Senkaku Island put aside the -- to advance the negotiation between Japan and China.

At that time, Beijing government think the most important problem for PRC was how resist Soviet Union's pressures. So, Deng Xiaoping decided it. Yes, and the ROC Taiwan side, yes, did not agree such Beijing's attitude towards the Senkaku problem. Yes, okay. Thank you.

DR. SATO: I remember that Prime Minister Ohira's comments, some of the -- at the press conference, some of the pressmen asked what is your opinion about Deng Xiaoping's attitude on the Senkaku Islands? Prime Minister Ohira said that making a friendship, also deciding treaties are most important, small matters put aside, put on shelves. We didn't care now. This is the Japanese government leaders' attitudes.

Also, the resource development issues, the Japanese side -- the Japanese oil makers are rather negative to enter the detections because now we understand that the

total deposit of the oil and natural gas just 10 percent of the Japanese consumption per year. And currently, Chinese consumption is much bigger than Japanese. So, anyway, a drop in the sea -- not so effective. Also, not so economic. This is the same as the Spratly Islands. Many of the major oil-makers, such as Chevron or Unocal, they know that there are not so expected deposit in the South China Sea, especially the core central area of the Spratly Islands.

Small deposits are found in some of the coastal areas of Vietnam, also the (inaudible). So, we don't expect much oil detection in the South China Sea, also the East China Sea.

Thank you very much.

DR. BUSH: Thank you. Peter?

DR. DUTTON: Thank you very much for the question. Which, the first part of the question was, what U.S.-Chinese efforts are there to address our differences. That's -- I point out the visits coming up -- or the recent visits, actually, between Ma Xiaotian and the Chairman of the Joint Chiefs is a good example of them.

But there are a whole structure, a whole series of dialogues, starting with the Strategic and Economic dialogue, the Defense Consultative Agreement dialogues, the Military Maritime Consultative Agreement dialogues. We even have our own modest effort at the Naval War College, actually. We held a seminar called Military Activities in the EEZ: U.S.-China Dialogue on International Law and Security in the Maritime Commons. The volume will be coming out next month.

So, at all levels I think there are attempts to address these questions. And the fact that President Hu will be meeting with President Obama is encouraging, also, in that regard.

As to the second question, which is what effect will UNCLOS have on these processes, should the U.S. accede to it? I want to say right up front that it will not change American perspectives about international law, the sea, or American activities in relationship to international law, the sea, nor do I expect it would change Chinese in any way. But there are three important points nonetheless.

The first is, it would demonstrate U.S. commitment to the common normative architecture, right? It would demonstrate that we agree to be part of the existing framework and to under-gird it and to support it. That we're not exceptionalist in that regard, and nor should China be. That's -- you know, that is an important aspect. I would not underestimate the impact of such a gesture.

The second is that negotiation of the norms over time -- which I'm convinced will occur, over time -- and I'm talking at least a century. But over time, this negotiation of norms will occur within the framework, right? Within the framework and the bodies that it establishes, rather than outside of the framework, which are more likely

to be by force rather than through negotiations.

Now, we can hope that -- we, the United States -- can hope that China will change its views over time. And that hope in itself offers some stability.

And the third point is that -- referring back to point number one -- is that UNCLOS has bodies and processes of its own that the United States would, therefore, be able to fully enter and to participate in to bring that stability to the negotiations and the discussions between the United States and China over how to govern collectively the maritime commons.

DR. BUSH: Thank you very much. We're now going to have a 15-minute break. Drinks and food are through those doorways. Please indulge, I've already paid for it. (Laughter) But before you go, please join me in expressing our collective appreciation to today's -- this morning's panelists for such an outstanding dialogue. (Applause)

(Recess)

DR. OH: I'm Katy Oh. I am basically serving as a traffic woman, like in Pyongyang. And, hopefully, everybody follows my guidelines very well.

And let me tell you, talking about freedom of navigation -- this morning, the Pentagon had a bomb scare, and all the Metro closed. And a lot of problems. And from my office, which is not very far away, behind the Pentagon, to Brookings, navigation, freedom of navigation was completely gone. I was sitting in the cab. I was actually telling the cabbie that, "Don't worry, I'll be there pretty soon." And I missed some of the really good presentation this morning.

And good to see you very much. And this is a really critical topic, and critical timing today. And we have a fabulous three speakers today. And I must say that I am very, very happy to see two good old friends.

And Mimura-san from the Niigata of Northern Japan, and Jonathan Pollack, formerly my director at RAND, and now he's joining Brookings as a new member. And I'm very glad to meet a new friend, Asaba-san.

And I discovered that these two Japanese gentlemen speak beautiful, flawless Korean. So we do have a true, true North Korean experts today, bringing different insights.

Since all of you are really professionals here, I would like to control each speaker no more than 15 minutes. I have a too large stop-watch and I will flag my -- you know, flag for them to. And no detailed introduction for these three gentlemen, because you have this nice, kind introduction.

And we will start from Mimura-san and move on. And let's start the second session.

MITSUHIRO MIMURA: Good morning, ladies and gentlemen. I'm very happy to be here to present the reality of North Korea. And the moderator ordered me to finish my presentation in 15 minutes. And then I will start from 101 on North Korea, and to the end -- to the insight.

I visit North Korea, since 2005, almost once or twice every year. So I have many friends, both in South and North Korea. And this is the index of my presentation. North Korea's external relations from geopolitical and historical view, and the North Korean economy. My main research field is North Korean economy. And the third one, the other one, is political factors. And this is 101 of North Korean problem.

Where is North Korea? And every time I see this picture, I feel very sorry for North Korea. Why? North Korea is surrounded by China, Russia, South Korea, Japan. All of these countries are G20 countries, but North Korea is not. Their GDP per capita is estimated around -- between \$500 and \$1000 U.S. And then North Korea's external relations, from a geographical and historical view -- and I would like to introduce the hierarchy of friends and enemies from North Korea's viewpoint. And also North Korea's three boundaries.

And the hierarchy friends and enemies from North Korea's viewpoint is, number one, U.S. is enemy. But from North Korea's viewpoint, is number one priority. So if you are detained in North Korea, you'll be a VIP in North Korea, Pyongyang.

And the second is China. I'm very sorry to say, before 2002, Japan was number two. So if I were detained in North Korea before 2002, I was -- I had maybe an opportunity to be the second class VIP in Pyongyang. But not at this moment. And China is the United States' enemy, and also reinforcement of -- at the same time, a classic case of one-sided love. North Korea loves the United States, actually. But U.S. doesn't.

And China is a neighbor, most difficult to get along with. North Korean people, actually, its leaders, do not believe in China. And Japan is nemesis for more than a century. Yes, North Korea -- no, no, both Koreas, both Koreas, was a colony of Japan between 1910 and 1945.

And Russia, and the fiscal supporter in the past, you will see a graph of trade of North Korea. And a metaphysical one, or the verbal is supporter after 1990s. And South Korea is least a priority. It's a former rival, and a money tree after the year of 2000. And according to North Koreans, South Korea is the richest developing economy in Northeast Asia. They say South Korea is not an advanced country, it's a developing country.

And North Korea's three boundaries -- there's the North Korea-China border, approximately 870 miles, the longest border. And the North Korea-Russia

border, approximately 10 miles -- just 10 miles. And the military demarcation line, and Northern Limit line, this is approximately 150 miles, on land. And the United Nations created Northern Limit line in 1953, and also North Korea began to declare their own military demarcation line on the sea in 1999. You will see the pictures.

This is the North Korea-China border, and the North Korea-Russian border. This is Russia here. And China. And this is South Korea. This is Pyongyang. And this is Yeonpyeong Island. And this is the DMZ. The two kilometers, both sides. And also this is the Northern Limit line. This blue line is U.N., is established line. And red line is North Korea-established line. And Yeonpyeong Island is here, number one. And this is the Haeju, the provincial seat Hwanghaenam-do. And this is Incheon Airport of South Korea. This is Seoul. Very near.

And about the North Korean economy, I will talk about five things. And one is the current status of the North Korean economy.

North Korea is on the way of gradual economic recovery since 1990s, mainly from heavy industry and also a rapid growth of science and technology -- as they claim. And food supply is barely enough to keep from starvation. This means that they are -- this doesn't mean they are eating well. They can survive on 30 percent rice, 70 percent maize -- it's congee. They can eat. But in order to make their food white from yellow, they have to work on economic development for more than a decade, I think.

And economic reform, and the bottom-up preeminence of the market -- this is official, the result of official recognition of farmers market, like the farmers market in Cuba, into regional market in 2003. And not only agricultural products, but also is light industry products, like some towels and clothes and some also tile and such kind of things can be bought in the market everywhere in North Korea.

This is the real GDP growth rate, estimated by the Bank of Korea, or Central Bank of the Republic of Korea. And also CIA World Fact Book also quotes this estimate. And North Korea's GDP growth rate is much more than Japan, actually -- 4 percent, sometimes -- around.

And this is North Korea's trade by country. And this is 1970, '75, '80, '85, '86, '87, '88, '89. And this is the time of collapse of the former Soviet Union and Eastern European countries. And Russia -- and trade with Russia became about 20 percent between the year of 1990 and 1991. And this kind of trade was substituted by the trade with China, mainly after the year of 2003. And China is number one, and South Korea is number two trade partner of North Korea.

And about economic reform in North Korea, I can define that the economic reform in North Korea is passive economic reform, to approve non-state-owned sector or grass-root private sectors to handle economic crisis in mid-1990s. So it is not like Vietnam. It is not like China -- they actually is capitalist country, right?

But North Korea, as well as Cuba, is a socialist country. And they love planned economy in the year of 2010. And this institutional reform starting from revision of constitution in 1998, and the relatively rapid change between 2001 and 2005 is -- the economic reform gave relative autonomy to the state-owned enterprises. So in North Korea, even in state-owned enterprises, they have to think about the cost, or something like we have to think about in the capitalist world.

And economic reform brought tremendous change in North Korean society. This is -- there is a wholesale market, although it is shut down in 2009, with currency reform, and restarted this year. There is a wholesale market, and the public transportation company, and public-private sector. And, also, collectivism lost substance, and the individualism gained more power, mainly in economy.

So these days when I meet friends from Pyongyang, I always persuade, "Hey, you must buy apartments in Pyongyang." Okay? If the price will be doubled, tripled maybe 10 times after 2010, '20 -- I don't know. And they say, "Okay. I understand. But I have no money. Would you mind give me money?" "No, no, no. I have no money. If I have money to give you, then I will buy the house and our apartment in Pyongyang -- right?"

Then why? This is partly because of economic reform. And is partly because as a result of South Korean engagement policy, is the liberalization of the economy after 2001.

And I have to talk about political factor, the reason North Korea is wedded to nuclear program, and how to make North Korea a normal country.

And the reason North Korea is wedded to a nuclear program is, one, "Be prepared" -- a lesson from the Iraq war. If you have a strong nuclear weapon, then U.S. troops don't come into North Korea.

And the second one, I think it is more important -- the re-enforcement of Cold War structure. Kim Jong-il needs Cold War structure for him to distance attention of its citizens, its own citizens, and the outer world, from the real problem. The real problem is arbitrary use of power and human rights violations. And every misrule of a difficult situation is contrived from American imperialism. So the fail of economic policy is now easily connected with American imperialism. So, for Kim Jong-il, American imperialism is very important. Without American imperialism, he cannot survive. And thus, the U.S. pressure against North Korea is a kind of protective guard for North Korean regime.

So how to make North Korea a normal country? It's a very, very difficult thing. But I have to say, one fact is normalization of its economy evokes erosion of the political regime, like South Korea in 1950s and '60s. And Japan can be a gravity balancer for North Korea's dependence towards China. Now, North Korea is heavily

dependent on the Chinese economy. And the fact means that North Korea needs Japan, I believe, for balancing -- as a balancer.

And, three, the realization of good governance and the rule of law in North Korea through Japan-U.S. cooperation based on the strong alliance, and also elimination of the threat of weapons of mass destruction.

Thank you very much.

(Applause)

DR. OH: Thank you, Mitsu. That was a very succinct and very interesting -- a lot of interesting goodies for discussion later. And now, Jonathan?

JONATHAN POLLACK: Thank you, Katy. And it's a pleasure to be here as a member of the Brookings professional staff.

I have no charts for you, no pictures, no graphs. But I hope, some ideas.

I was asked specifically to address three questions -- Chinese thinking and perceptions of North Korea, and it's policy approaches toward the North. Secondly, the available options for addressing the issues that are at stake between China and North Korea, and how these might, in turn, shape China's own regional strategies. And, third, the effects of both of these factors on the U.S.-Japan alliance -- or, rather, as I would prefer to describe it, U.S.-Japan-ROK strategic interactions.

These are hardly new issues for China. And over the course of the past decade we've given witness to an enormous amount of open debate within China about policy toward North Korea -- in journals, in the press, in the blogosphere. I believe these dissenting opinions indirectly reflect divergence and frustration within the leadership about relations with the North. Indeed, there are more open public challenges, in academic circles and the like to official Chinese policy towards the North greater than in any other area in Chinese foreign policy. In many of the areas of Chinese foreign policy, there doesn't seem to be much debate at all. But here, it's quite open, and broadening over time -- even if it has not redefined what I will call the "dominant mainstream position" or "default option" pursued by the Chinese leadership.

There is, however, a lot of frustration, indecision -- even, some might argue, a certain passivity within the Chinese leadership about what to do, with China, like every other affected state, confronting unpalatable policy choices in the face of North Korean actions, of which its recent augmentation of its nuclear weapons potential and its recent military activities are only the latest manifestations. And that these are things that directly challenge fundamental Chinese policy interests.

I would say that there is a collective policy failure on the Korean peninsula. No one -- not China, not the United States, not the ROK, not Japan, not Russia -- has been able to untie the knots and to craft an approach that effectively manages -- let alone resolves -- the enduring issues on the peninsula.

So this is a long-running saga. And we don't have enough time today to go into all the details. Suffice it to say -- as Professor Mimura has just pointed out -- that North Korea is Northeast Asia's conspicuous strategic outlier. It kind of sticks out there, kind of like a sore thumb. It stands apart from the region's economic dynamism, and the ever-growing web of relations at multiple levels that crisscross Northeast Asia.

Its outright nuclear defiance, including its second nuclear test and the open disclosure to an American delegation just last month of its uranium enrichment facility at Yongbyon, which creates a second potential path for fissile material development, highlights some of this outlier behavior.

More than this, as Professor Mimura pointed out already, North Korea's continued actions undermining peninsular peace and stability, including the sinking of the *Cheonan* last March, and the shelling of Yeonpyeong just last month, and an attempt to create and claim new maritime boundaries all reflect these developments. Let me quote the closing words from the statement of the 23<sup>rd</sup> of November from the supreme command of the Korean People's Army, "In the West Sea of Korea, only the maritime military demarcation line that we have established will exist." So this creates the prospect, if not the certainty, of additional troubles and dangers down the road -- all of this in the context of the impending transition in political leadership from Kim Jong-il to his son Kim Jong-un.

In the face of these worrisome developments China has pursued a variety of damage-limiting strategies. Rather than increasing the distance between China and North Korea, Beijing in recent months has tried to increase North Korea's dependence and reliance on China -- through economic assistance, energy aid, provision of food, supply of consumer goods, and China's endorsement of the leadership succession. There has been a slow but measurable increase in Chinese inroads in the North Korean economy, particularly in terms of resource exploitation and infrastructural development -- and North Korea's apparent readiness (at least tactically) to align more with China. This has been evident at a variety of levels, partly reflecting the absence of alternatives for North Korea, particularly as the contradictions between South and North have again sharpened.

However, it is not part of a deeper affinity with China, or a particular trust of China. It is really generated more by North Korean needs, and the lack of credible alternatives.

This is a Chinese version of crisis management. It's been reinforced by the visits of Chinese officials to the North -- Dai Bingguo's recent visit being a good example of that. This is something that the Chinese repeatedly rely upon. They are the only outside power that has event irregular access into the North Korean leadership -- even as we can see some real differences that persist between the two. For example, Dai Bingguo claimed that there had been a consensus of views reached between China and

North Korea on his recent visit. The North Korean media made no reference to such consensus of views.

So China's approach has been to try to envelop North Korea as much as it can bilaterally and, prospectively, regionally, if it could convince others to reopen negotiating channels with the North.

The problem, however, is that China (although it does not acknowledge this) is acquiescing to North Korea's nuclear weapons development, and it is engaging with North Korea irrespective of North Korea's political and military actions. This has obviously caused ample vexation in the United States and elsewhere. And it's something that needs to be examined more fully.

How do we explain China's efforts to reach out under these circumstances -- notwithstanding China's avowed insistence that the de-nuclearization of the Korean peninsula is a fundamental interest of China? The conventional argument is that China is intent on preserving a divided peninsula, and that it opposes unification. By this logic, if there were a unified democratic Korea that it would be closely aligned with the United States and tied to U.S. alliance arrangements in the region, China would fear the longer-term consequences. There is a parallel claim, or fear, that the United States seeks to actively pressure, isolate, and undermine the North Korean system, perhaps leading to its ultimate dismemberment. But I'll put that kind of an argument to one side. I don't think the United States has that as its strategy, either avowed or hidden.

The alternative explanations, however, really begin to get at what worries China. The Chinese, I think, are deeply worried about various forms of instability on the peninsula, and the spillover consequences that this might entail for Northeast Asia. In the tradeoffs between the potential risks posed by actions of North Korea, and the costs of sustaining the North Korean system in an uneasy status quo, China has largely pursued the latter, convinced that the costs do not seem excessive.

In my view, this is less a fear of internal instability, the kind of system-unraveling scenarios that we often hear so much about, and more a fear of what North Korea is capable of doing to perturb the peace in ways that leave China in a very uncomfortable position.

There is, however, at times some candor from China on these issues. Let me quote a recent statement. "The Chinese side is highly concerned about the situation on the peninsula. The Chinese side expresses deep regret and is deeply worried about the current situation and the recent exchange of fire between the two Koreas that caused personnel casualties and the loss of property. The Korean peninsula is a region with a very fragile security situation. Particularly under the current situation, if handled improperly, could very likely lead to the continuous escalation of the tense situation, and even the loss of control, which is not in line with the common interests of various relevant parties, and which is also a situation that we really do not want to see." These

were words stated to President Obama by President Hu in their phone call, phone exchange, a week ago Sunday.

So, despite America's frustration about the fact that the Chinese have barely made any comments at all about North Korea's revealing of its enrichment capabilities, despite the fact that China insists on a very equivocal or evenhanded approach to recent military incidents that the United States and others believe unequivocally point to North Korean responsibility -- I believe Chinese actions and statements reflect a deeper anxiety on the part of Beijing. But China finds it more suitable to leave channels open to the North. But it begs the issue of whether or not there are potential constraints on North Korean behavior. Does North Korea feel that China's tolerance of these activities really gives it latitude and does not inhibit it from other kinds of actions that it might undertake?

At the same time, the Chinese seem to believe that the impending succession may give China a means to influence longer-term trends on the peninsula, though I don't think the Chinese are overstating this. I don't think that the influence that China has is in any sense decisive. When Admiral Mullen visited South Korea recently, he claimed that China had enormous influence on North Korea. I don't know what he means by "enormous influence," but, frankly, I don't see it. And if North Korea had alternatives to the reliance on China, they would be pursuing them vigorously.

But the bottom line is that China in crucial respects finds itself at cross purposes, with the United States, the ROK and Japan, and to an extent, with Russia, as well. The acquiescence or passivity in the face of acute risk-taking by North Korea raises risks and dangers that are deeply troubling.

Lurking underneath all of this, ironically, is whether or not there are common purposes between China and North Korea. If there are common goals, they are very limited. North Korea does not follow the Chinese script. When Kim Jong-il visited China this past spring, Hu Jintao laid out a very logical basis for what a normal relationship would look like -- apropos of the reference to North Korea becoming a "normal" country. Not only did Kim Jong-il not respond, there's no evidence that I'm aware of that he has done what Hu Jintao asked him to do, which was to communicate regularly, to warn if there were dangers that created risks and instability, to communicate fully, and so forth. None of that has been evident.

So China faces a problematic situation and unpleasant choices. Its fundamental acquiescence to North Korea as a nuclear-armed state, and North Korea's active steps to undermine peace and stability which have a direct and decidedly negative effect on Chinese interests as well.

The Chinese continue to hope for change in the future, but are keenly aware of the absence of any lasting predictability in North Korean behavior. China always knows that with North Korea all prices are subject to change without notice. And that if North Korea had alternatives to its growing dependence on China, it would pursue

them. But the imminence of the succession has convinced Beijing that it must accommodate, for now.

There is, therefore, an optimist's case in China, one that believes that (despite decades of efforts to induce change in the North) in an inexorable shift to some kind of economic change or economic reform, if not something that looks like what's happened either in China or Vietnam. This would be the proverbial "soft landing" scenario.

The pessimist's case, which some in China, as well as in the United States, continue to express, is the possibility of a hard landing. But I think that the preferred outcome that North Korea pursues and which to some extent the Chinese are facilitating, is a "no landing" scenario, one that enables the persistence of the system more or less in its current form -- something of a default option, but one that at least nominally preserves, if not tranquility, at least hopefully avoids any kind of a larger outbreak of hostilities.

How am I doing on time, Katy?

DR. OH: You have one minute left.

DR. POLLACK: Okay. That should be fine.

So, I don't want to get into these arguments about China coddling or appeasing Pyongyang. Clearly, the Chinese have a buying-time strategy. But the question we can ask is, has this ever worked with North Korea? Why should it be different this time?

While we are meeting here today, senior U.S. officials are meeting in Beijing with their counterparts, trying yet again to bridge the pronounced differences between the United States and China over strategies towards the peninsula, and perhaps to establish a basis to pursue essentially shared interests, even if the U.S. and Chinese policy approaches differ in very significant ways.

So the United States is pursuing a strategy in the near term very much of prevention, trying to limit the possibility of a larger conflict through enhanced U.S. response options and heighten collaboration and communication with both of its Northeast Asian allies.

The China-centered approach, by contrast, favors increased engagement with North Korea, commitment to even an emergency session of the Six Party talks that the United States seems noticeably reluctant to pursue. The Six Party talks, of course, have been dormant for two full years.

So the question is, can we somehow bridge these differences? I think it's both a question of the near term and the longer term. I believe there is a compelling need for a fuller and candid process of engagement with China on questions related to the

peninsula's future. Whether this is going to be feasible under prevailing circumstances maybe we can talk about in the question and answer period. But, fundamentally, the United States is trying to convey to China that the collaboration among the U.S., South Korea, and Japan is not designed to undermine long-term Chinese interests, but to protect core interests of the United States and others in Northeast Asia.

The challenge here, of course, is that there are potential negative consequences of a potentially very significant sort if the United States and China both go their separate ways on the peninsula, especially if there are further incidents that upset the peace. But the need for candid, quiet discussions, preferably at a high official level, or at a track-2 or track-1.5 level, is self evident. Whatever the differences between the United States and China on these issues, we cannot and must not allow tensions on the peninsula to lead to a direct collision between the U.S. and China, thereby repeating the unhappy pattern of 60 years ago.

So thank you very much for your time.

(Applause)

DR. OH: I just recognized how much I missed Jonathan's lucid rhetoric and wonderful skills of using the right words. Incredibly good presentation. And let's move to the third person.

YUKI ASABA: Thank you very much. I feel very much honored to be here to share my views about North Korea and, above all, the U.S.-ROK-Japan security alliance, with you distinguished scholars and policymakers here in Washington.

As Peter pointed out in the first session, earlier in the morning, the nature of the game we are all involved in matters. We first need to grasp what the game is all about.

Thanks to his inspiring talk, I came to understand as long as navigation, freedom of navigation, is concerned, the game is all about soccer-match process, street fight. And the other question is how to convince China of the changing nature of the game from sheer demonstration of physical strength or physical might, to rule-based competition.

This suggestion is what I would like to talk -- I would like to address in my talk on North Korea again.

As North Korea -- as long as North Korea is concerned, the game is not soccer match nor street fight, but rock-paper-scissors. As long as soccer match is concerned, I don't think I am a good player. As long as street fight, no way. But as long as rock-paper-scissors, I believe I can win -- at least once in three times. (Laughter.)

I suspect you may be not so familiar with the game rock-paper-scissors, and the way to excel at the game. East Asians are more familiar with the game than our

American friends. Therefore, I suggest -- my suggestion is do as East Asian allies do. And since Kim Jong-il is an East Asian, he surely does have much more knowledge about the game than Americans.

Rock-paper-and scissors is one of the most popular games among East Asians, since they are three years old of age. It is known as “gu-choki-pa” in Japan. It is also known in Korea, “gawi-bawi-bo.” That combination of the units of the game is the same -- rock, paper, scissors. But in the different order among the U.S. and its allies in East Asia -- that is Japan and ROK, Republic of Korea. That implication of the difference are greater than you ever expect.

The rule of the game is quite simple. Rock beats scissors. Scissors beat paper. Paper beats rock. I don't know exactly how paper beats rock. It may be because paper covers rock.

No single choice prevails in single-shot game. If you play the game only one time, you don't have to worry about your strategy, let alone your opponent's one, nor calculate gains or losses, costs or benefits. However, things change completely in repeated games. Strategic thinking and consistent behavior matters in this seemingly easy but hard game to win.

What is the best strategy, then, of winning the game? Or more precisely speaking, of not giving in to your opponents over time? Two things are crucially important. One is to combine rock, paper and scissors in the same proportion of one-third for each. Another one is to make a random choice among the three options.

In short, my recommendation is the randomized mixed strategy is the best policy. If you don't follow this strategy -- that is to say, if you choose to utilize a mix of different proportion of the three options, three choices, or non-randomized sequence of choices, serious consequences will certainly follow. If you combine rock, paper, and scissor in a two-one-one ratio -- rock-rock-paper-scissors, rock-rock-paper-scissors, for example -- you will lose because your opponent changed his strategy by resorting more often to paper than the other two choices. Ultimately, once in two times, in this case, you will lose once every two times. If you repeat rock-paper-scissors, rock-paper-scissors in this order every time, you will definitely lose again, simply because your opponent changes his strategy by choosing paper-scissors-rock, paper-scissors-rock in this order every time.

Either or both strategy can be easily recognized and exploited by your opponent. And once they do, you are destined to lose.

If an American choose the sequence of rock-paper-scissors as his strategy and competes with South Koreans, with sequence of gawi-bawi-bo, the difference of the order always result in your victory. The problem is you are not competing with ROK, one of your allies in the region, but with North Korea, who possibly is deploying a strategy of the sequence bo-gawi-bawi. If both to compete, you are destined to lose.

As is the case with any other games, you can see the following of four different rounds of players. A one star player is aware of his own strategy. A two star player recognizes his opponent's strategy. A three star player can change his strategy when he became aware of his opponent's strategy. Finally, a four star player can change his strategy accordingly when his opponent changed strategy.

Kim Jong-il, Supreme Leader of North Korea -- Dear Shogun or (inaudible) -- is without doubt a four star player. Coincidentally, his heir apparent, Kim Jong-un -- his third son -- was promoted to a four star general in the People's Army, in a series of succession process which got started late last September.

U.S. President Barack Obama, South Korea President Lee Myung-bak and Japanese Prime Minister Naoto Kan are respectively and collectively easy opponent for the two Kims -- Kim Jong-il and Kim Jong-un -- to exploit. I will not dare to say the number of stars they have.

Let me tag President Lee's case as an example of such explanation and exploitation by our common opponents. His first order to the military after the North's artillery attack on Yeongyeong Islands, on November 23rd, was, "Strike back decisively, while keeping constraints in order not to let it escalate into full fledged war." This remark caused a great deal of controversies among the South Koreans, putting the commander and chief in a more awkward position, which I would like to call, Korea's Dilemma.

The Korean president is, on the one hand, raising public calls for stronger retaliatory, if not preemptive, measures against the North. More voters criticize the government for remaining indecisive and lukewarm eight months after President Lee Myung-bak made it clear not to tolerate further provocations by the North in the wake of the sinking of the *Cheonan* warship last March.

But, on the other hand, the chief executive officer of the first non-G8 nations which hosted the G20 Seoul Summit just less -- no less than two weeks before the attack is worried no less about the implications for sovereign credit ratings and a foreign exchange rate even a minor localized conflict may entail. Lee Myung-bak was all the more concerned about the possible escalations of the conflict. In short, President Lee Myung-bak has to convince his people, his voters, he's tough enough to strike back against the provocations and to deter further ones. And that he's clever enough to keep the situation under his full control. Every Korean president is tasked with striking a balance between those two criteria.

As Lee Myung-bak is forced to play rock, paper, and scissors with his freedom of choice virtually limited, he's easy to exploit. Having recognized that, his opponent would neither retaliate with air raids nor make a preemptive attack because of fears about possible escalations.

Kim Jong-il did not feel hesitant to provoke in the first place. Much worse, he may be assuming right now that President Lee Myung-bak will not and cannot change his

course again in the future. If this is the case, further provocations on a larger scale will follow, it's only inevitable. Our challenge is, therefore, quite simple. We must use a mix of rock, paper, and scissors no less strategically than our common opponent does, so there is no room for exploitation left.

In this respect, strong commitment to striking back against the provocations - further provocations -- with air raids and to review the rules of engagement by the newly appointed Defense Secretary, Kim Kwan-jin, for President Lee Myung-bak, was timely and relevant. It sent a clear message to Kim Jong-il. The freedom to choose among rock, paper, and scissors is guaranteed -- is restored.

Fears of retaliation on Kim Jong-il's side must have deterred his initial provocations. What is at stake is the threat credibility.

Equally important is a closer coordination among the allies -- between U.S. and its allies in East Asia, ROK and Japan. There is one strong voice. Accelerated efforts are being made. U.S.-ROK naval exercise in the Yellow Sea and subsequent U.S.-Japan drills with ROK participating as an observer puts the threat credibility in check.

In the meeting here in Washington, a week ago, the U.S. and Japan demonstrated full support for Lee Myung-bak's zero tolerance of further provocations by the North. Simply put, to match ROK's *gawi-bawi-bo, gawi-bawi-bo*. It is all the more imperative for both the U.S. and Japan to adjust their respective rock-paper-scissors and *gu-choki-pa* to scissors-rock-paper, *choki-gu-pa*, accordingly.

For that purpose, you first need to grasp what the game is all about. And, second, to come to terms with the rules of the game. Otherwise it's doubtful what the strategic impatience is really, in fact, strategy. You have reliable allies in East Asia and experienced area specialist who are more familiar with the game and excel at the game.

Thank you very much for your kind attention. I'm looking forward to your feedback.

(Applause)

DR. OH: I'll follow the previous chairman and we follow the same rule. And, please, quickly identify because, unlike Richard, I don't know many of you, and so. And also, if you have a specific, you know, person to address the question, please do so. And please be a little bit gentle not to make three, four, five questions. So let's start business.

Okay, I see Scott's hand going up there -- at least that gentleman I recognize.

QUESTION: Thank you, Katy.. Scott Harold, the RAND Corporation. It's wonderful for Brookings to give a chance for three former -- or two former and one current RAND-ite to get together and ask each other questions.

I'm going to direct my question to you, Jonathan, but I would very much welcome Professor Mimura or Professor Asaba to weigh in. Looking at today's two panels as a whole, it strikes me that although the theme of this conference is U.S.-Japan relations, the unifying theme between the two panels could easily be China's potential reaction. China's reaction to U.S.-Japan coordination on freedom of navigation, territorial issues, and China's reaction to U.S.-ROK-Japan relationships tightening in reaction to North Korea's provocations.

And so, what I'd like to ask is simply whether or not there is a tendency here to think, well, the answer in this situation must be closer alliance relationships between Washington and Tokyo, between Washington and Seoul, and possibly newer relations -- or enhanced relations, if you will -- between Tokyo and Seoul, forming something like a Pacific version of NATO. Something many Chinese analysts worry about.

But if that reaction is taken -- if that's the path we choose to pursue, it seems likely that China will view that as extraordinarily threatening as a containment strategy, if you will. Especially in so far as those three countries are reaching out increasingly to Australia, the Philippines, Viet Nam, and India.

I wonder if you could, Jonathan, give us your thoughts and then the two gentlemen from Japan, please, also -- I'd welcome your thoughts on Tokyo's views.

DR. POLLACK: That's a very good question, Scott, and there is a lot of overheated statements emanating from Chinese specialists, presuming that all these forms of heightened collaboration are really directed at China. They're not. This can be demonstrated operationally, tactically, whatever.

Now, the fact that American officials tried to make a rational, logical explanation of the reasons for this collaboration -- I don't want to say it falls utterly on deaf ears. In fact, some Chinese understand. This is an inevitable consequence, frankly, of China's unwillingness to align more explicitly with a strategy that would look like North Korea's being highly isolated. The challenge here is can the United States and China walk on two legs here? In other words, is it going to be possible to see these heightened forms of collaboration, which I think are absolutely inevitable in the aftermath of North Korean actions, at the same time that China can understand the purposes for which it is intended? American actions not intended to exclude China, nor are they intended to threaten China. But these are the inevitable facts of life under circumstances where North Korea has undertaken for the first time, in a very long time, actions that involve the direct loss of life on the part of both civilians and military personnel in the South.

It doesn't really leave the United States and others with clear options, but I think the United States can make persistent efforts to demonstrate that it's not China directed. In this respect, I am sure this issue has come up in the context of the current visit to Beijing by Steinberg, Bader, and Campbell. There's another opportunity next month when Secretary Gates is in Beijing. I don't know whether the U.S. will do enough to persuade anyone in Beijing, but I think the United States can be clear on the intention,

purposes, and modalities of its policy approach. The last thing the United State wants to see is something that would trigger a larger escalation with China.

DR. OH: Mitsu, you had a point?

DR. MIMURA: From -- not Tokyo, but Niigata's viewpoint -- 200 miles from north of Tokyo, Japan should be more independent about thinking in Northeast Asian matters. The U.S.-Japan alliance is very, very important, but Japan has to think about their own national interest. And many of the Tokyo people, I feel, are not interested in matters of Northeast Asia. They're interested in the U.S.-Japan relationship, the Japan-Europe relationships, Japan-China relationships, and, sometimes, Japan-South Korea relationship. But almost nobody asked me about North Korea's position about Japan. That is very, very dangerous.

Japanese should know what Kim Jong-il is thinking and also what is Hu Jintao thinking, and what is Lee Myung-bak thinking. And that's my answer.

DR. OH: Yuki, you'd like to comment?

DR. ASABA: Yes, thank you. As Mullen, the chairperson of the Joint Chiefs of Staff, suggests that Japan and ROK should consider seriously the possibility of upgrading their security cooperation to an ever higher level. Japan and ROK should -- bilateral relationship between Japan and ROK, and Washington and Seoul, and Washington and Tokyo, are of course important. But much more important is trilateral security cooperation among Tokyo, Washington, and Seoul. That's why I highlight Seoul's value for Washington and Tokyo. Thank you.

DR. OH: Thank you. Yes, please? There.

QUESTION: Yeah, Bill Jones, Executive Intelligence Review. I have a question for Jonathan -- and also Mr. Asaba mentioned the meeting of the three last week -- although the positions of China on the one hand, and the three who met in Washington last week seem to be an unbridgeable gap where China's still saying, we have to have a meeting, if not a session, of the six party talks. And they're saying, no six party talks unless North Korea shows something.

Now, Secretary Clinton -- during the course of her talk -- said that North Korea has to stop the provocation and has to go back to the agreement -- the 2005 agreement. But, nevertheless, in her comments she was more vague about what North Korea had to do, but said that we cannot have these talks unless North Korea indicates -- whatever word she uses -- indicates that it's willing to play ball.

What do you think North Korea has to do before the U.S. would be in agreement to talk at some level with North Korea? The Chinese, of course, make the argument that you can't resolve the problem unless you talk with the other party and there's a certain basis to that, too. But what is the point where these two sides could come a little

together in some form of meeting in your opinion?

DR. POLLACK: You've asked a good question, although it's necessarily speculative. Whether the United States is actively trying to weigh some alternatives, I can't say for sure. But I think, at a minimum, if there are to be future dealings with North Korea on these issues, it would have to be in a context that in no way legitimates North Korea's claims to nuclear weapon status. That's one of the reasons why, among many, the United States has very little desire to see the six-party talks used as a platform for North Korea making such claims.

The six party talks proceeded on the basis of certain agreements that were struck in 2005 that North Korea then, in 2009, walked away from unequivocally. There's no evidence that they're about to renew those commitments, despite occasional words that hint otherwise, but I don't see it and I think that their recent behavior in disclosing their enrichment facility just underscores that.

I think it's fair to say that the United States sees serious risks here. Certainly there is the channel of military officers talking in P'anmunjom that exists as a mechanism, even though the North Koreans will often deny that there's any kind of value in this channel when they have openly denigrated the armistice agreements.

So, it's not that we lack means to talk with them, but if it is to happen it's going to have to be predicated on explicit, unambiguous, North Korean restraint that imparts, unequivocally, that these incidents will not recur. Remember, also, North Korea's goal here is to leap-frog South Korea and the United States is not -- I repeat -- is not going to get ahead of South Korea on these issues.

Some critics of U.S. policy argue that this means we're letting our South Korean allies call all the shots. I don't think it's that way at all. The fundamental issue here is not letting North Korea use -- whether it's rock, paper, or scissors, to get American attention. It is the absence of any kind of normalcy between North and South -- and any kind of a basis on which they can pursue tolerable bilateral relations.

So, I think the U.S. is pursuing a first things first approach. That doesn't mean that we are unmindful of steps that South Korea might want to take. The ROK is a close ally of the United States -- we have to have that conversation and it's possible to walk and chew gum at the same time, if I can mix my metaphors. But I think the United States is proceeding very prudently here with the first intent to be to strengthen and enhance the kind of response capabilities that exist with the U.S. and the ROK. The symbolism and importance of Foreign Minister Maehara's participation in the meetings here in Washington, last week, it seems to me, was also critical. Let's focus on those core factors first.

One last comment, I think it's obvious that the United States would like China to be doing much more, by whatever means it has, to caution North Korea about its behavior. I don't see them overtly condemning the North, but there's a lot more that China could do privately and quietly. Perhaps they are already; we don't know.

But clarifying those kinds of ground rules and recognizing the stakes that are so high means that I do not think that talking to the North is the highest priority. That will come in appropriate circumstances, if there's reason to believe that it will make meaningful headway.

DR. OH: Yuki, do you have a point?

DR. ASABA: Engaging North Korea is inevitable. There is no other way in dealing with North Korea other than engagement. But there are two different kinds of engagement. One is conditional and the other one is unconditional. President Barack Obama's strategic intentions is the latter one -- conditional engagement. And since taking office in early 2008, two and a half years ago, the conservative administration of President Lee Myung-bak changed ROK's policy towards the North from unconditional engagement to conditional engagement.

In that sense, ROK, Japan, and the United Nations have the same policy. I believe keeping that policy is better than returning to the Sunshine Policy or peace and co-prosperity policy, although there are a greater number of people, especially from the main opposition party, from the democracy party in Korea, calling for the return to the unconditional engagement. Thank you.

DR. OH: Thank you. All right, Eric, please go ahead, my favorite admiral.

QUESTION: You must not have many admirals. Eric McVadon, Institute for Foreign –

DR. OH: Or a lot.

QUESTION: -- Policy Analysis. I'm thinking about the end of the Hu Jintao visit here and wonder if North Korea could be a subject? And just what would happen if President Barack Obama said we're establishing -- meaning the U.S. -- a liaison office in Pyongyang. Jonathan and Asaba-san is that completely out of the question? We need, it seems to me -- and you, at least, have mentored me on this, Jonathan -- to the North Korea that exists now is not the one that will ever relinquish its nuclear weapons programs. If we're going to accomplish that, we certainly have to do some extraordinary things.

Might this be an extraordinary thing?

DR. OH: Okay, this time I will ask Yuki to go first -- about a liaison office opening between Pyongyang and Washington, D.C.? What do you think, Yuki? Maybe Mimura? Mitsu?

DR. MIMURA: Yeah, I think it's a great thing. (Laughter) Because maybe Japan decides to make some approach to North Korea again because the U.S. started talks with North Korea. Then we have to do so. And the relationship between the U.S. and North Korea will be one of the most important relationships in Northeast Asia, in the next decade,

I believe.

I cannot say very efficiently, but the talks between the U.S. and North Korea will help to change the current situation of the South and the North -- they are nearly war situation, I believe. Thank you.

DR. OH: Jonathan?

DR. POLLACK: Eric, I'm not speaking for anyone in the administration on this, but I would not hold my breath at all. I would, however, say that Hu Jintao's remarks that I quoted before, in my view, represent an opening for a discussion -- a more serious discussion -- between the United States and China on questions related to North Korea while he's going to be here in Washington.

That doesn't break the logjam. It doesn't change the fundamental fact that North Korea is America's longest standing adversary in the international system. We've never had normal relations with North Korea except when the South has provided unconditional assistance to the North there has never even been the semblance of a normal relationship between the two Koreas.

Japan has, of course, made its own initiatives in the past, as was alluded to earlier. And I'm not saying that these are inevitably going to create disappointment, but the fundamental goal of U.S. policy right now is to be absolutely certain that there is no political space created between or among the United States, Japan, and South Korea on these issues.

We don't want to cede political space with China, too, but China has its own interests and calculations, which have gone somewhat in a different direction. Ironically enough, if the United States were to go down this path that you suggest, I'd be kind of interested to see how the Chinese would respond in turn. For example, when there was seemingly a much more distinct improvement in U.S.-North Korean relations late in the Bush administration, there were lots of expressions of unease from Japan, and also from many Chinese. Both countries worried about the purposes of U.S. policy, conveying concerns that the U.S. was discarding its regional strategy for a bilateral strategy. So we've got to be very careful about how we proceed here. And, you know, I take your point that it would scramble arrangements in all kinds of ways because when the United States decides to act internationally, particularly in a way different from the past, given all the history here in Northeast Asia, it would have a very, very profound effect. But I don't get a sense that this is anything that the United States is seriously contemplating.

We may renew some forms of engagement with the North. That's possible. But there are ways to do this without elevating it to a higher level.

QUESTION: I mean during the transition.

DR. POLLACK: Oh, I see. I see what you're saying. Well, look, we -- there is a transition underway. Kim Jong-il could last a week, a month, a year, 5, 10 years.

Who knows? I'm not saying everything should be predicated and tethered to his health. Frankly, we really don't know a lot about leadership arrangements right now. Nobody really does. I don't think the Chinese do, either. And that's an argument for having someone present and accounted for, but I'm not sure, frankly, even if the United State had a presence in Pyongyang, it would necessarily yield a lot of insight, but there may be a counter argument and we'll see if that has any kind of legs in debates in the D.C. area.

QUESTION: I think you'll see it's just a –

DR. OH: Eric, shall I give a chance to somebody else?

QUESTION: Why not.

DR. OH: Thank you. Anybody? Now, since everybody's quiet, let me just add one thing. When we had the first agreed framework in 1995, if you remember, and there was active preparation -- American diplomats are all retrained with already beautiful Korean, re-vamped up. Their wives are ready to pack and the U.N.-based North Koreans dispatched their members to Washington, D.C., checking the Massachusetts Avenue land property -- what kind of trees are growing and better. I have a list of trees that they wanted to buy us, free, for them, but they backed off. So that's an interesting story. And I think their price tag is always going up. And the American economy is pretty bad right now.

So, please, gentlemen, go ahead. Yes?

QUESTION: Steven Piper. Could you comment on the need for contingency -- planning for a contingency of the collapse of North Korea? Much of the discussion so far seems to be premised on North Korea continues as a state, but what happens if it goes the way of Romania or East Germany, and implodes or explodes?

DR. OH: Should I go ahead or do you want to go ahead. Mimura? Yuki? Whatever?

DR. MIMURA: I think the situation is totally different from East Germany or Romanian case. In Eastern Europe, everyone wanted the collapse of the regime in the eastern part, but in Northeast Asia nobody -- China, Russia, Japan, South Korea, also -- don't want the sudden collapse of the North Korean regime. But I think the possibility of collapse of the North Korean regime is higher -- much higher than in the 1990s because, as I presented earlier, North Korean society changed very much through the first decade of the 21st century.

So we have to be ready for that kind of plan, but at the same time we have to make a common goal not to make North Korea collapse, but to change North Korean society or regime into a better one. Thank you.

DR. OH: Yuki, you have some points?

DR. ASABA: The repetition of the mistakes in 1994 should be avoided. At

that time, we assumed North Korea would collapse within a few years, but it exists more than 15 years later, now. So we should avoid that mistake again.

We have a two track strategy. On the one hand we have to prepare for possible collapse of the regime, certainly, but on the other hand we have to assume North Korea would endure the regime change -- leadership change. And even though the leadership changed from Kim Jong-il to the Kim Jong-un, we have to be prepared for the existence of another Kim dynasty. Thank you.

DR. POLLACK: I think my colleagues have both made some very relevant remarks here. It's fascinating to watch the ebb and flow of American thinking on this question. By my count, we are now in the fourth cycle of collapsist thinking. That's the term that Nick Eberstadt, who's one of the founding fathers of the collapse theory, and he will acknowledge that he's been wrong. Now there may be many reasons why he's been wrong. We don't know enough about what the contingent elements are that explain the durability of this system under the most grievous of circumstance.

I would, though, accept the fact -- and Mimura-san has just highlighted this -- that to the degree that there is internal change of one form or another, the probabilities of that kind of an event do go up. It's one of the arguments that is often made for why you should find ways to make in-roads into the North, if you can.

I don't think it's impossible to do both of the things that Yuki has just recommended: that you can do intelligent contingency planning at the same time that you accept the reality that you have a system that does endure. We need to think long and hard about why there's been a different history here. How despite the expectations of inevitable change and with a state that's defying the laws of economic political gravity, has it found a way to endure? We could have a long discussion and seminar on that.

Now, the problem and the dilemma, of course, is that if something were to happen very abruptly, do we have the kinds of response mechanisms in place?

But let's not be too seduced by the East European, or Soviet example. This is a different society. It's under different circumstances and if, ultimately, the end comes, it may look very, very different.

I have to say in this context that someone I've gotten to know quite well over the years is Hans Maretzki. Hans was the last GDR ambassador to the DPRK and he knew Kim Il-sung very well. And Hans has related to me that when East Germans would visit -- and at one point when Madame Honecker was there, Kim Il-sung is looking at her and saying, you know, you guys are toast and I'm going to tell you why you're toast. This is not the way that you preserve the integrity of your system.

He warned them. And I think that reflected precisely the fact that the support for sustaining these regimes within the populations and within the course of apparatus -- all across Eastern Europe -- was simply not there. People were not willing to

die for the system, so the \$64 question would be to ask, are there those in North Korea who are still prepared to die for the system? My view would be is that there are significant numbers who would, and that has a very both inhibiting effect on the one hand, and a very dangerous effect on the other.

DR OH: If nobody raises hands, they're using the -- okay, please go ahead.

QUESTION: Hi, good morning. Hello? Can you hear me?

DR. OH: Speak loudly.

QUESTION: Okay, it's Qiang Zou, of Legal Daily China, here. Mr. Asaba raised a very interesting theory of rock, paper, scissors game in the region, but my argument is that when U.S.-Japan-South Korea is presenting rock to North Korea, you should not naturally expect that the North side are just showing paper or scissor.

How would you expect another rock is coming from that side? Because rock, big or small, are dangerous -- I mean, to the region, so why are -- my question has two parts.

First, do U.S., Japan, and South Korea agree that finally negotiations would be the final option? Second, if so, why are we put conditions on the North Korea side? Have U.S., Japan, and South Korea prepared anything to offer on the table because you just cannot come to the table empty handed, you know? Thank you so much.

DR. OH: Yuki, would you like to handle?

DR. ASABA: Thank you for your questions. My concern is not about the calculations of the North Koreans intentions. Or which one they are trying to use -- rock, paper, or scissors? My concern is about the possibilities. The fact that Japan, ROK, and U.S. has less freedom to choose among the three options. So, if we -- our causes is open to our common opponents or even enemy. They are easily -- they can easily exploit the openness of our free society. Thank you.

DR. OH: I think I am using the privilege to be the chairwoman because my nickname is Ms. Punctuality and -- but I would like to just indicate one point about the question about collapse and contingency.

I think we are going through either a virtuous or a vicious cycle since 1994 and I think this is a strategic time for us to think about that, instead of just waiting for the collapse, or a change, or reform, or whatever. We should be actively engaged in strategic preparation to make them to transform into the more reliable and reforming regime. And if not, we should induce them to be gradually collapsing. That's my point.

So, with that very grim or very predictive point, I think that we had a wonderful day today and thanks to all the panelists. And thank you for your patience in this

a little bit warm room. So, let's give a hand to all the panelists.

(Applause)

DR. BUSH: I would like to add my gratitude to the panelists for this session and the panelists previously. Thank you very much, Katy, for your excellent chairing, as usual. Thanks to the audience. I'd also like to thank the staff who've done a lot of work to prepare for this. And, also, we really appreciate the hard and effective work of our communications department -- always very helpful.

And, finally, I would like to thank Aki for his entrepreneurialism in putting together this great event. I've learned a lot and I hope you have, too. Thank you very much. The meeting is adjourned.

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