



**NCAFP Fact-finding Mission to Seoul, Taipei, Shanghai and Beijing  
October 11-25, 2013**

**By Donald S. Zagoria\***

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**Asia Trip Delegation**

**Dr. George Schwab**, NCAFP President

**The Honorable J. Stapleton Roy**, former U.S. ambassador to the PRC, Indonesia, and Singapore

**The Honorable Nicholas Platt**, former U.S. ambassador to the Philippines, Zambia and Pakistan

**Mr. Evans J.R. Revere**, former Deputy Assistant Secretary of State for East Asia

**Mr. Ralph Cossa**, President of the Pacific Forum CSIS

**Professor Donald S. Zagoria**, Senior Vice President of the NCAFP

**Ms. Elizabeth Steffey**, Associate Project Director of the NCAFP

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## Introduction

The NCAFP led a fact-finding mission to Seoul, Taipei, Shanghai and Beijing from Oct. 11-25, 2013. The purpose of the trip was to assess the current security environment in the Asia-Pacific region, especially the state of U.S.-China relations after the Sunnylands summit, the North Korean nuclear issue, developments in cross-Taiwan Strait relations, the potential for serious misunderstanding and miscalculation about Japan's role in the region, and America's standing in the region.

The delegation held 35 meetings with senior officials, think tanks and scholars in the four cities. The itinerary is included at the end of this report.

In Seoul, we met with the Foreign Minister, Unification Minister and National Security Advisor as well as with the Institute of Foreign Affairs and National Security (IFANS - the Foreign Ministry's think tank), and a number of prominent scholars and former officials. We also met with the U.S. ambassador to the ROK. In Taipei, we were hosted by the Foreign Ministry and we met with President Ma Ying-jeou, the three leaders of the opposition Democratic People's Party (DPP), Tsai Ing-wen, Su Tseng-chang, and Frank Chang-ting Hsieh, as well as with foreign ministry and defense officials and think tanks. We also met with the Director of the American Institute in Taiwan (AIT) and key members of his staff. In Shanghai, we met with prominent scholars, think tanks and the China Energy Fund Committee.

In Beijing we were hosted by the Taiwan Affairs Office of the State Council (TAO) and we met with leading officials in the TAO, as well as with the Assistant Foreign Minister, the Deputy Chief of Staff of the People's Liberation Army (PLA), a high ranking official in the International Department of the Chinese Communist Party (CCP), the Academy of Military Sciences (AMS - a prominent PLA think tank), and with many prominent scholars and think tanks. We also met with the American ambassador to the PRC and with the embassy's deputy chief of mission and political counselor.

Prior to the two-week trip, the delegation was briefed in Washington, DC by senior officials in the East Asian and Pacific Affairs Bureau of the State Department.

The NCAFP has been sending fact-finding delegations to Asia for the past 15 years. We have also been hosting Track 1.5 and Track 2 meetings in New York with officials and think tanks from the PRC, Japan, the ROK, North Korea (DPRK), and Taiwan.

NCAFP's annual visits to the region and numerous Track 1.5 and 2 meetings in New York have been aimed at enhancing our understanding of regional security issues and at making a positive contribution to stability and to mutual understanding. During this and previous visits, numerous officials and former officials and scholars in all capitals told us that they welcomed our reports and that our policy recommendations have provided valuable food for thought and have played a significant role in shaping the views of decision makers.

## I. Developing a Stable and Constructive Relationship with China: Optimism after Sunnylands

There is no greater challenge for American foreign policy than to develop a stable and constructive relationship with China over the next decade or more and to create the circumstances in which U.S.-China relations can grow into a wide-ranging political and economic partnership. The commitments made by Presidents Barack Obama and Xi Jinping at the June 2013 "shirtsleeves" Sunnylands summit to develop a "new type of major power relationship" (the Chinese call it a "new type of major country relationship") are a useful initial step in this direction. Although the two countries are still discussing how to make this concept more concrete, there is broad agreement that both sides seek to avoid what historians call the "Thucydides trap" - the clash between a rising and an established power that has recurred throughout history since the Peloponnesian wars in Ancient Greece. More often than not, the rivalry between a rising and an established power has resulted in confrontation or conflict. (See the writings of Graham Allison.)

The potential for developing such a wide-ranging partnership between the United States and the PRC exists despite the fact that the two great powers are bound for some time to have a mixed relationship which includes elements of both cooperation and competition. Winston Lord, former U.S. ambassador to China, aptly calls the relationship "sweet and sour" as both sides seek to manage the clash between their common and conflicting interests. (See Ambassador Lord's recent speech at Dartmouth, May 9, 2012.) The essential challenge for Washington and Beijing is to build on the common interests and to manage properly the conflicting interests.

There are good reasons for cautious optimism as U.S.-PRC ties develop. The Sunnylands summit was seen by both sides as successful. This judgment was re-enforced during many of our discussions in China. There are, moreover, a number of new developments that contribute to this optimism.

The U.S.-PRC Strategic and Economic Dialogue has been expanded. There is a much-improved military-to-military dialogue and some say that the U.S.-PRC military relationship is now the best since the 1980s. The Chinese PLA will attend the RIMPAC exercises scheduled for next year. There is a trade volume of more than \$500 billion between the two countries and China is currently the United States' second largest trading partner, its third largest export market, and its biggest source of imports. And there is a growing amount of U.S. investment in China and Chinese investment in the U.S. There are also expanding people-to-people exchanges and growing sub-national exchanges between governors and mayors in the United States and their counterparts in China. China has more than 200,000 students studying in the United States and the U.S. has a program to send 100,000 students to China on an annual basis, starting in 2014.

During our visit to China, several high ranking PRC officials made the following points about U.S.-China relations.

- The relationship is "the most important bilateral relationship in the world." The U.S. and China are now building a "new type of major country relationship" which will be a "blessing to the whole world."
- PRC leaders have been "very serious" about China-U.S. relations since Mao Tse-tung hosted President Nixon in 1971 and the bilateral relationship has moved forward over more than 40 years.

- The "positive aspects" of the relationship are bigger than the "negative" aspects and we should "be confident about the future."
- President Xi Jinping has met President Obama on two occasions and the results have been "very successful."
- The two countries have different values and systems and the biggest problem is "strategic trust." We need to work on strengthening such trust. To do that we need to inform each other about our strategic intentions in a timely way to prevent miscalculations. We also need to "step up coordination on regional and global affairs."
- We need to respect each others' "core interests." For China, these include security, sovereignty and territorial integrity.
- On cross-Taiwan Strait relations, "generally speaking" there is "favorable momentum" and the relations are "stable" and this is good for U.S.-China ties. But the U.S. should make "tangible moves" towards stopping the sale of advanced weapons to Taiwan and it should respect the three joint communiqués that have governed U.S.-PRC relations since the opening to China in 1972. (The cross-strait issue was much discussed during our visits to Taiwan and the Mainland and we will devote a special section of the report to it. Arms sales were referenced but not dwelled upon.)
- With regard to North Korea, our PRC interlocutors stated that the Chinese position has been consistent in standing for the "denuclearization of the Korean peninsula." This position will not change. "Peaceful negotiation" and dialogue is the only way forward, they asserted. According to some Chinese officials, North Korea is ready to honor the September 19, 2005 agreement and to improve relations with South Korea. But positive gestures from North Korea have not been responded to by the U.S., they asserted. The central issue is deep-rooted confrontation and suspicion between the United States and North Korea. (The North Korean issue also occupied much of the discussion throughout the two-week trip and there will be a special section of the report devoted to that topic.)

### *Dialogue with PLA's Academy of Military Sciences*

The NCAFP delegation met with a group of high-ranking PLA officials during the trip and we had a very useful and spirited exchange of views.

One of the officials noted at the outset that we had visited the AMS in 2011. There was, she said, "great respect" in China for the NCAFP's "longtime activity in promoting dialogue across the Taiwan Strait" in the belief that "sustainable relations across the Taiwan Strait is good for U.S.-China relations." This continuing effort demonstrated our "wisdom and vision."

Another high-ranking PLA official, in response to our question about China's view of its current security environment, said the following. On the global level there was concern about the proliferation of weapons of mass destruction (WMD), especially in China's neighborhood (i.e. North Korea) and Iran. In addition, as a result of its rapid rise, China is now confronted with a much greater need for energy security. China has now surpassed the United States as the world's largest oil importer and there are "newly emerging concerns" over the Middle East, starting in 2011. China is

also concerned with the "new global commons" and with such issues as cyber-security, space, and "international norms." If any one country acted unilaterally, this would undermine the interests of all parties. China is also concerned with non-traditional security threats such as climate change and terrorism.

In the past several years, China has also become concerned over maritime security disputes with some of its neighbors. Also, the U.S. rebalancing caused some concerns. "Many Chinese" believed that this rebalancing was targeted at China and "even now" it remains a "grave concern."

With regard to the "Taiwan question," there was still a possibility that the DPP may take power in 2016 and this would "disturb" cross-Straits relations. With regard to the DPRK nuclear issue, China remains concerned about instability on the Korean peninsula.

Finally, China is now also concerned with its sea lines of communication, as a result of increasing dependence on oil from the Middle East, as well as with the U.S. withdrawal from Afghanistan and with the growth of Islamic extremism.

The remainder of the discussion centered largely on our respective views of the North Korean nuclear issue, the cross-Straits issue and the role of Japan.

There were some commonalities but also major differences on the North Korean nuclear issue. The one commonality was that both sides agreed that it was in our joint interest to cooperate on the North Korean nuclear issue so as to bring about denuclearization and stability. But there were differences on how to proceed.

The Chinese argued that China is encouraging North Korea to reform and open up and that this is the best way forward. Too much military pressure from the U.S. would create a "vicious cycle." If the U.S. "forces North Korea into a corner" the result will not be what the U.S. wants; if Pyongyang must choose between economic development and nuclear weapons, it will choose nuclear weapons.

China is "exerting more pressure" on North Korea and North Korea is feeling that pressure. The U.S. needs to be patient and to leave time for a readjustment of North Korean policies. China recognized that policy towards North Korea must combine both "softer" and "harder" policies, i.e. a combination of the "wind" and "sun." But patience was the key.

One American responded by saying that the most fruitful area for U.S.-PRC cooperation on the North Korean nuclear issue was to give the North Koreans a "stark choice" between developing nuclear weapons and developing their economy. The current North Korean regime thinks it can do both.

Apart from the discussion on the North Korean nuclear issue, there was also some discussion about the cross-Straits issue and the role of Japan. There were minor differences in views concerning the cross-Straits issue but major differences in how to assess the role of Japan.

In another encounter with a high-level PLA official on another day, the NCAFP delegation was given a one hour lecture on how the U.S. "lacked respect" for China, operated according to "double standards" and was culpable for many of China's current security dilemmas with its neighbors. Little opportunity was provided in that meeting for pushback.

The NCAFP delegation came away from these meetings with a strong impression that although U.S.-PRC military to military exchanges have greatly increased in the past two years, more work remains to be done. We will make some recommendations in the conclusion.

### ***U.S. Concerns over Beijing Political and Ideological Tightening***

While there appears to be forward momentum in U.S.-PRC relations after Sunnylands, there continue to be concerns about Beijing's domestic policies, including its treatment of intellectuals and ongoing suppression of dissent. Another major question being discussed among American China-watchers is what kind of economic reform program will be announced at the upcoming Third Plenum of the Chinese Communist Party in November 2013. Most analysts are optimistic that there is a major program of economic reform in the works while others are more pessimistic and are arguing that vested interests in China will block or weaken any reforms. Chinese argued that the greatest threat to the Communist Party was corruption and that this would be a central issue, and could even include an "independent" judiciary free from Party control at the local level (but still subordinate to the Party nationally).

There are also concerns among U.S. analysts about the political and ideological tightening in China under Xi Jinping. One interlocutor claimed that there had been more arrests in the past several months under Xi Jinping than in the previous ten years of Hu Jintao's leadership. New restrictions issued by China's Communist Party, called the "Seven No's," prohibit discussion of any aspect of Western-style democracy such as civil society, free press, an independent judiciary, a multi-party system, etc. One long-time China watcher whom we met on our trip said that Xi and his colleagues were presiding over a "paranoid, insecure regime" that feared going the way of the former Soviet Union and saw corruption as the Achilles heel of the CCP.

Some Chinese analysts with whom we met thought that this tightening was a short term phenomenon designed to shore up conservative support for bold economic reform at the Third Plenum. Other Chinese interlocutors were more pessimistic. Others were generally pessimistic regarding Xi's motives or inclinations but optimistic that social media pressures would eventually bring about political reform, perhaps in Xi's second term.

## **II. Cross-Strait Relations: Remarkable Stabilization**

### ***Introduction***

The uncertain and still-unresolved issue of China-Taiwan relations has been a potential regional flash point since the Chinese Communist Party (CCP) took power on the Mainland in 1949 and the Chinese Nationalist Party, the Kuomintang (KMT), fled to Taiwan and installed itself as the Republic of China (ROC).

There remain major differences between the two sides, not the least of which is that Taiwan has transformed itself into a vibrant democracy which includes a robust opposition to the ruling Kuomintang in the form of the Democratic Progressive Party (DPP), a free press, a strong commitment to human rights, an independent judiciary, and a strong desire to retain its de facto independence from the Mainland.

The CCP-led Mainland, on the other hand, continues to pursue "unification" with Taiwan under "one China," although most recognize that the old formula of "One China, Two Systems" is no longer a viable option.

The long-range future of Taiwan is therefore unclear and open-ended, more so than at any other time in recent decades. As Richard Bush writes in his seminal work on the subject "Uncharted Strait: The Future of China-Taiwan Relations," 2013:

*The current engagement between Beijing and Taipei creates the possibility that they can find a solution to their six-decade long dispute. Whether, when and how that might happen is shrouded in uncertainty... China fears the island's permanent separation, whether it makes an overt move to de jure independence or simply refuses unification. Taiwan fears subordination to an authoritarian regime that does not have its best interests at heart. The United States worries about the stability of the East Asian region." (p.7)*

The NCAFP has been visiting Taiwan and the Mainland regularly for the past 17 years and has also hosted bilateral and trilateral Track 1.5 conferences over the years in an effort to increase mutual understanding. President Ma Ying-jeou attended one of our conferences in 2005 when he was still mayor of Taipei and Ma has been receiving our delegation on a regular basis since he became President in 2008. Wang Yi, formerly the head of the PRC Taiwan Affairs Office and now China's Foreign Minister, told us two years ago that the NCAFP work on cross-strait relations constitutes a "useful and necessary mechanism" for contributing to cross-strait stability.

The NCAFP visit to Taiwan and the Mainland this year confirmed our judgment that the past five years since Ma assumed the presidency in Taiwan in 2008 have witnessed a remarkable improvement in cross-strait stabilization.

There have now been 19 agreements between the two sides, including an Economic Cooperation Framework Agreement (ECFA). Trade between the two sides in 2012 amounted to \$168.9 billion dollars and it was \$90 billion in Taiwan's favor. A Cross-Strait Services Trade Agreement has been concluded even though it has not yet been ratified by Taiwan's Legislative Yuan (LY). Cross-Strait direct air flights have increased dramatically to some 700 per week. Student exchanges have greatly increased and President Ma wants to drastically increase the numbers of Mainland students in Taiwan.

### ***The View from Beijing***

In Beijing, a high-level Chinese official told us that the past five years have been the "best ever since 1949" in cross-Strait relations, that a continuing expansion of cross-Strait relations is "probable", and that the present status quo differs from the status quo five years ago, especially because of the maintenance of the "one China framework."

There has even been some positive movement on political issues, which remain the most sensitive part of the cross-Strait equation. The heads of Taiwan's Mainland Affairs Council (MAC) and the Mainland's Taiwan Affairs Office (TAO) addressed each other by their official titles during a recent APEC meeting in Bali, Indonesia – a step generally seen both on the Mainland and on Taiwan as well as in the region as an important step forward in cross-Strait relations. The two sides have also agreed on mutual visits by MAC and TAO senior officials. And they have also agreed in principle on the establishment of representative offices on each side, which would give each party a quasi-consular but "unofficial" presence in the other's capital, even though many details are still to

be worked out. During President Ma's meeting with the NCAFP, he made headlines in the Taiwan media by telling us that the discussion over the establishment of representative offices is political in nature and not just an economic issue. Ma's comments seemed to signal that a new dimension in cross-Strait dialogue is unfolding.

There is also a robust dialogue underway between Mainland and Taiwan think tanks, including unofficial discussion of the most sensitive political issues. In early October there was a Peace Forum in Shanghai with representatives from both the DPP and the KMT, attending in their unofficial capacities, as well as a large number of officials, scholars, CCP members, and even PLA representatives, from the Mainland. The organizers of the Forum (with whom we met in Shanghai) issued a final communiqué which listed many of the political issues that had been addressed, even if consensus on the resolution of these issues was not achieved. Nevertheless, organizers told us that the Forum had been much more successful than they had expected it to be.

These kinds of exchanges should, however, be regarded as initial steps in a process that is likely to be very long. The two sides still remain very far apart on fundamental issues, including sovereignty and mutual recognition. The Shanghai Peace Forum identified seven areas on which the two sides have unresolved issues and ten areas on which there is mutual acknowledgement.

Another piece of positive news on the political front is that the Mainland is becoming somewhat more relaxed about the potential for the DPP coming to power in the 2016 Taiwan presidential election. A moderation of the DPP's approach on independence and a growing realization inside the DPP that an aggressive pursuit of separation will only backfire seem to have contributed to this.

A high-ranking Chinese official told us that he had met with Frank Hsieh, one of the DPP leaders, in July, that Hsieh wanted to "blaze a new trail in cross-Strait relations," and that "some of his ideas" can "be accepted by the Mainland." Another high-ranking official agreed with our observation that the DPP is changing and that 70-80% of the DPP members now accept dialogue with the Mainland - a strong indication of a change in DPP attitudes.

Still, Mainland officials remain wary of the DPP. They described the upcoming Presidential election in Taiwan in 2016 as "a test" of whether the political environment will change and they said that "we" (presumably including the U.S.) need to handle it so that it does not "blow up."

One final piece of positive news from the Mainland is that there seems to be an awareness of the need to proceed gradually and cautiously because of the political climate in Taiwan, where 40-45% of the people support the DPP and where "Taiwan identity" - as opposed to "Chinese identity" - is growing.

When one member of the NCAFP delegation said to a high-ranking Chinese official that Taiwan feared being swallowed up by the Mainland and losing its Taiwan identity, the official responded by acknowledging the concern as valid. He said that the Mainland would have to be "very careful" and that "we don't want to hurt Taiwan's dignity." The same official said he recognized that conditions in Taiwan society do not yet allow for reunification. And, perhaps most important, he said that the standard Chinese unification formula of "one country two systems" needs to be "enriched" to enhance its appeal on Taiwan.

Xi Jinping's comment at the APEC conference in Bali was mentioned multiple times by both sides. In conversation with Taiwan's APEC representative Vincent Siew President Xi said, "We cannot leave it [the cross-Strait issue] to our children and grandchildren to take care of." This comment was interpreted many ways by both sides. Some saw it as meant largely for domestic Chinese audiences and others saw it as Xi imposing political pressure on Taiwan.

### *The View from Taiwan*

Taiwan remains politically polarized on the cross-Strait issue. The KMT continues to be forward-leaning in pursuing an accommodation with Beijing while the opposition DPP blocks progress and accuses the KMT of selling out Taiwan's interests to the Mainland.

The KMT has negotiated 19 agreements with the Mainland and made considerable progress in stabilizing cross-Strait relations by accepting the ambiguous "1992 Consensus", by which each side of the Strait acknowledges the existence of a single China, but each side interprets the definition of "one China" differently.

The DPP, on the other hand, rejects any "one China" formula as "fundamentally inappropriate." Its 1999 Resolution on Taiwan's Future, which remains the consensus DPP document defining cross-Strait relations, states that Taiwan is an independent sovereign state under the name of the Republic of China and that any change in that status must be approved by the people of Taiwan.

Still, as mentioned earlier, the DPP attitudes towards the Mainland appear to be moving in a more pragmatic direction because the DPP recognizes that it now has a huge dilemma. It lost both the 2008 and the 2012 presidential elections in part because the Taiwan public lacked confidence that the DPP could develop stable relations with the Mainland. Over the past five years, the Taiwan public now recognizes and appreciates that President Ma has stabilized relations with the Mainland and that this is good for Taiwan. The idea of a "China threat" is now less prominent a theme than ever in Taiwan's media and the DPP would be hard pressed to reverse the agreements with the Mainland that Ma has reached.

In sum, the DPP knows that it needs to demonstrate its ability to manage cross-Strait relations well if it is to have any chance of winning in 2016. It also knows that it needs to regain the trust of the United States, which it lost during the Chen Shui-bian era from 2000-2008, if it has any hope of regaining power. It therefore seems probable that the DPP will move in a more pragmatic direction in the coming years. In fact, a comprehensive review of Taiwan's China policy is now underway, one it hopes will be "accepted" by the US and "tolerated" by the Mainland.

### *Conclusion*

The big question regarding Taiwan remains: Where is the cross-Strait stabilization and normalization process going? There are two possible long-range outcomes. (See Richard Bush, op cit, p. 7)

The first is one of reciprocal accommodation in which there is a mutually beneficial outcome. Such an outcome would require the PRC to move in the direction of recognizing the existence of the Republic of China, something it has been loathe to do in past years. The good

news on this front is that there are Mainland scholars who are actively discussing this option. Another piece of good news is that there does not seem to be any way in which the Mainland can coerce a democratic Taiwan into reunification against the will of the Taiwan people.

The second possible outcome is what Bush refers to as the "power asymmetry" idea. In this formulation, Beijing might lose patience with negotiations and would try to exploit its greater power in order to achieve unification through pressure and intimidation.

The basic question for all three sides - Taiwan, the Mainland, and the United States - is what each side can do to ensure that reciprocal accommodation becomes the path pursued by the Mainland. As Bush says, "dual sovereignty arrangements exist in modern political systems" and there are creative people on both sides of the Strait who might design a new arrangement "with Chinese characteristics." And it is a mark of progress that some PRC scholars understand that their government must address the issue of the ROC and accept its existence.

### **III. The North Korean Nuclear Issue: Still a Huge Problem**

#### ***The View from Washington, D.C.***

The consensus view in Washington is one of deep skepticism that Pyongyang will under any circumstances agree to end its nuclear weapons program, combined with a clear commitment to keep trying to achieve denuclearization.

For two decades, the United States has tried without success to end North Korea's nuclear program, and this has given rise to deep pessimism about the prospects for future denuclearization negotiations. (For a useful review of past U.S. policy, see Evans J.R. Revere, "Facing the Facts: Towards a New U.S. North Korea Policy," Brookings)

This deep skepticism does not mean that Washington is opposed to a revival of negotiations and a return to the Six Party Talks which were suspended in 2008.

Rather, the view in Washington, largely but not entirely shared in Seoul, is that Pyongyang must demonstrate its seriousness about denuclearization by taking practical, concrete, and significant steps towards this goal. For some time, the U.S. and China have been in discussions to determine the appropriate "threshold" that Pyongyang must cross in order to convince Washington of its seriousness and for Six Party Talks to be restarted. Washington and Beijing appear to be still some distance apart in their respective positions on how high the threshold should be.

Washington is also concerned about Pyongyang's current policy assertion that it plans to pursue both a nuclear weapons program and economic modernization simultaneously. Washington seeks to convince Pyongyang - with Beijing's and Seoul's assistance - that it cannot achieve both these two goals. Beijing's cooperation, particularly the PRC's willingness to put pressure on the DPRK, is a core component of Washington's current approach.

There are dissenting views from some former U.S. officials. These former officials advocate a return to the Six Party Talks as soon as possible and they argue that a process of "incremental denuclearization" via the imposition of interim restraints on the North's nuclear program is possible and preferable. (See OpEd in the *New York Times*, "Reasons to Talk to North Korea" by Robert Gallucci and Stephen Bosworth, October 27, 2013.)

On our trip, the NCAFP heard views from U.S. officials which suggest that the U.S. is in no rush to resume the Six Party Talks without concrete moves by the North Koreans. There remains deep skepticism about North Korea's intentions vis-à-vis denuclearization, but there also exists a willingness to reopen the Six Party Talks if North Korea demonstrates a commitment to denuclearization by taking concrete steps towards that goal. American officials also seem to believe that the U.S. is now in a "good place" as it pursues its current policy approach. The ROK government is "disciplined" on this issue; China is moving closer to the U.S. position even though there still remain gaps between Washington and Beijing; and the U.S. is in "no rush" to return to official talks that at present seem unlikely to produce desired outcomes.

### ***The View from Beijing***

The view in Beijing on the North Korean nuclear issue is quite different from that in Washington.

Chinese interlocutors in Beijing generally believe that there are signs of positive change in Pyongyang, that North Korea has lowered its inflammatory rhetoric and has signaled a desire to return to Six Party Talks, and that the U.S. is too pessimistic about the potential outcome of a new round of talks. Many Chinese officials asserted that Pyongyang is prepared to honor the denuclearization commitments it made in the September 19, 2005 Six Party Joint Statement. Beijing officials also argue that experience has demonstrated that increasing pressure on North Korea will simply force North Korea to return to its old ways. Rather Beijing officials and experts argue we must all encourage reform and opening in Pyongyang and that an initial step in this direction would be to reopen Six Party Talks.

Many Beijing officials and experts argued that Washington bears some responsibility for Pyongyang's intransigence by its continuing military exercises and deployments and that "mutual mistrust" between Washington and Pyongyang is the "root" of the problem.

In sum, the central argument we heard in Beijing from our Chinese interlocutors is that the major Chinese concern for the Korean peninsula is stability and that denuclearization is a collateral goal to which they have decided to give renewed emphasis, despite their skepticism that it can be achieved. The implicit argument is that the Six Party Talks can help manage (not solve) the nuclear issue and that talks can also "manage" or "control" North Korean behavior.

### ***The View from the ROK***

The mood in Seoul reflects deep disappointment, even anger, over North Korea's sudden cancellation of a planned meeting of families separated by the division of the Korean Peninsula. At the same time, Seoul appears committed to continuing engagement with Pyongyang in accordance with President Park's "trustpolitik" policy. Seoul remains in general lockstep with Washington on the need for Pyongyang to meet a high threshold in order to resume the Six Party Talks, although some ROK interlocutors expressed frustration at the continuing lack of multilateral dialogue with the DPRK.

The ROK government places considerable emphasis on its belief that we are witnessing a change in China's policy towards North Korea and has high hopes that increasing Chinese pressure

on Pyongyang will eventually bring about positive change in North Korea. Some officials in Seoul believe that there could be a change in the North Korean "mindset" if we hold firm for the next two or three years, but one senior official said he could envision the ROK adopting a much tougher approach if progress towards denuclearization is not forthcoming in this time frame.

But most South Korean officials remain deeply conflicted about the potential for change in North Korea and about China's role. There continues to be strong support for continued engagement but skepticism about the chances for success. Many ROK officials, like many in the U.S., see the change in China's approach on North Korea as more tactical than strategic.

### ***The Need to give Pyongyang "Stark Choices"***

One high-ranking ROK official offered a highly nuanced analysis. Both the opposition and the Government support the ROK's current policy towards the DPRK, he said, even though "the jury is still out" on whether President Park's policies will succeed. There is a general recognition in the ROK, the official continued, that North Korea's goal is survival of the regime and that it intends to hold on to its nuclear weapons while seeking assistance for its sluggish economy --i.e. to continue pursuing a path of parallel development. But the ROK, China, and the U.S. are all trying to convince the DPRK that this dual track of nuclear weapons development and economic modernization will not work. Pyongyang needs to choose. In the short term, i.e. one or two years, the ROK official continued, Kim Jung Un will continue to pursue parallel development of his nuclear weapons program and the North's economy. But Kim is 30 years old and needs a long-range perspective, the official said. If he is rational, he will need "to do something about the economy." To convince him that parallel development will not work, China is the key. But all of us need to give Kim "stark choices."

The same ROK official agreed that China has "no warm feelings" towards North Korea and that some Chinese scholars believe that there is a need for progress on denuclearization before Kim Jung Un can be allowed to visit China.

## **IV. Japan's Role in East Asia:**

### **Growing Tension between Japan and its Neighbors**

Japan's desire to play a new and more active role in the region has the potential to invite serious misunderstanding and miscalculation in both South Korea and China. The recent acrimony in the ROK-Japan relationship is particularly worrisome to the United States inasmuch as both countries are U.S. allies and the U.S. would like to see greater trilateral security cooperation to meet the North Korean nuclear challenge, deal with other regional concerns, manage the rise of China and encourage Beijing to pursue a cooperative and constructive regional role.

In Seoul, we heard familiar ROK views on the territorial, historical, and legacy issues (such as the "comfort women" problem) with Japan. And we heard little ROK interest in seeking reconciliation with Tokyo, and general agreement that the onus is on Japan to take the first steps so that improved relations would be possible.

Efforts to cite instances where Japan had moderated its position or made overtures to Seoul were rebuffed with complaints that such measures were either "insincere" or "inadequate." Some Korean interlocutors evinced pride that South Korea has continued to maintain a hard line against Japan and there was little recognition that a more active Japan could be a positive factor in Korea's security. Similarly, there was little appreciation in South Korea that proposed changes in Japan's defense posture are occurring strictly in the context of the U.S.-Japan alliance, or that the Japan-U.S. alliance plays an essential role in the defense of the ROK.

During our fact-finding mission, Japanese Prime Minister Abe formally reiterated and reaffirmed on the floor of the Diet past Japanese government and cabinet-level apologies and regrets for Japan's wartime policies. There appears to have been little or no mention of these important remarks in either ROK or Chinese media.

One Chinese former official with long experience in Japan rejected Japanese government efforts to achieve reconciliation with China and claimed that Japan is seeking to restart its "Holy War" in East Asia. While such comments were unusually extreme, they reflect a deep-seated cynicism and antipathy towards Japan that was characteristic of many of our conversations in Shanghai and Beijing.

During our visit, tensions in the area around the Senkaku Islands that are at the center of the current contretemps between Beijing and Tokyo remained high, reminding us that there remains considerable potential for miscalculation and even conflict between the PRC and Japan over the disputed islands.

Based on the sharp language and anti-Japanese sentiments heard in both Seoul and Beijing, and the clear unwillingness to seek common ground with Tokyo, we came away with the strong impression that there is an urgent need for Tokyo, Seoul, Beijing, and especially Washington to take more creative steps designed to ease tensions between Japan and its neighbors.

## **V. The U.S. Role in the Asia-Pacific: Strong Demand for U.S. Engagement**

We encountered considerable angst in the ROK and Taiwan over the U.S. ability and willingness to continue remaining deeply engaged in East Asian security issues.

Thanks to the U.S. budget sequester, inter-party differences over the budget, threats to default on America's debt obligations, ongoing political dysfunction, and continuing preoccupation with the Middle East, there is growing anxiety among our allies and partners in the region that the U.S. will not be able to play the leading role that they have come to expect.

This anxiety was greatly reinforced when, shortly before our trip, President Obama was forced to cancel his visit to the APEC meeting in Bali and the East Asian Summit in Brunei in early October in order to focus on the imminent shut-down of the U.S. government.

We argued with our interlocutors that these problems would likely turn out to be transient issues and that the U.S. remains a highly resilient country with a deep commitment to the Asia-Pacific, the fastest growing region in the world and a region increasingly interconnected with the U.S.

**The following set of policy recommendations represent the author's conclusions**

**V. Policy Recommendations**

1. The U.S. government should encourage and sustain the positive momentum in U.S.-PRC relations since the Sunnylands summit. Both sides need to work closely to better define and add content to the still only vaguely defined concept of a "new type of major country relationship." Concrete cooperation on the North Korean nuclear issue would be one such step. The challenge for U.S. policy is to narrow differences between the U.S. and the PRC over how to move forward on the North Korean issue despite their differing emphases. There have been several meetings in recent weeks between China's Foreign Minister Wang Yi and U.S. Secretary of State John Kerry on the North Korean issue. Hopefully these and other meetings will lead to some common ground on how to proceed.

2. During our trip, we heard strongly worded accusations from the operational side of the PLA about U.S. tactical and strategic intentions in the region and we learned that there remain deep misgivings and mistrust within China about the U.S. The appropriate remedy for this is further military to military dialogue and cooperation, and especially more opportunities for operational elements of our two military establishments to work with each other in order to build transparency and misunderstanding.

There also needs to be more opportunity for an exchange of strategic perspectives between top military leaders and between top military and civilian leaders on each side. Track 2 dialogues can also be useful. The NCAFP intends to continue its dialogue with the PLA's Academy of Military Sciences in coming months and years.

3. Presidents Xi and Obama need to inform their respective publics about the potential for constructing a wide-ranging political and economic partnership. Each should create a public narrative that stresses the importance of cooperation and highlights areas of common interest and concern while managing differences. Creating and sustaining such a narrative might prove to be the most challenging task ahead, however, given that the media in each country tends to produce and reproduce prevalent discourses about the "China threat" or "U.S. containment." (See the recent writings of Wang Dong, Director of the Center for Northeast Asian Strategic Studies at Peking University.)

4. The U.S. also needs to encourage the positive momentum in cross-Strait relations by reiterating its commitment to a "peaceful resolution" of the issue, while not appearing to pressure Taipei into political dialogue unless and until it is ready to do so. We heard in Taiwan both from KMT and DPP interlocutors that America's current satisfaction with the overall trend in cross-Strait ties is being misinterpreted as U.S. "complacency," and that the U.S. should do more to reiterate its interests and concerns, even at the expense of repetition.

5. All four parties - Tokyo, Seoul, Beijing and Washington - need to work on more creative ways to defuse tensions between Tokyo and its neighbors. There is a downside potential for further misunderstanding and even confrontation because of the clash of rival nationalisms in East Asia. Beijing and Seoul need to stop dismissing as insincere Japanese attempts to reiterate and reinforce past apologies and regrets. Japan, for its part, needs to be more forthright in its regrets and

apologies, and needs to take a positive step on the comfort women issue. Beijing and Seoul need also to recognize that reflexive anti-Japanese sentiment may be good local politics and may play well to nationalists and domestic extremists, but it is bad regional strategy. Also the United States and Japan, as they revise the Guidelines for Defense Cooperation, need to do a better job of making clear that enhancements to Japan's defensive capabilities are occurring in the context of the U.S.-Japan defense alliance and should not be seen as threatening to the ROK or China.

6. The U.S. must work harder to convince its allies and partners in the Asia-Pacific region that its domestic fiscal challenges, its political dysfunction, and its ongoing efforts to secure peace in the Middle East, will not prevent the U.S. from continuing to play a leading role in the Pacific. The U.S. needs to demonstrate that it has the wherewithal and the will to continue to fund and sustain the rebalance. And it also needs to continue its high level efforts to make clear that the rebalance is not just a military initiative and that it does not target China.

**ITINERARY FOR THE NCAFP TRIP TO ASIA  
OCTOBER 12-25, 2013**

**OCTOBER 12-15, 2013 SEOUL, SOUTH KOREA**

**MONDAY -WEDNESDAY, OCTOBER 13-14, 2013 - SEOUL, REPUBLIC OF KOREA**

- **Breakfast Meeting with Amb. Sung Kim**, US Ambassador to the ROK
- **Meeting with Ryoo Kihl Jae**, Minister of Unification, Ministry of Unification, ROK
- **Meeting with Institute of Foreign Affairs and National Security (IFANS)**
- **Meeting with Chul Ki Joo**, Senior Secretary for foreign affairs and national security, The Blue House
- **Meeting with Amb. Sung Joo Han**, Former South Korean Ambassador to the U.S.
- **Meeting with Mr. Yun Byung-se**, Minister of Foreign Affairs, MOFA, ROK

**OCTOBER 15-19, 2013 TAIPEI, TAIWAN**

**WEDNESDAY, OCTOBER 16, 2013 MEETINGS/CONFERENCES, TAIPEI**

- **Meeting with Mr. Christopher Marut**, Director, Taipei Office, AIT
- **Meeting with Hon. Chan Lien**, Former Vice President, Republic of China
- **Luncheon hosted by Hon. Wen-hua Tzen**, Chairman, Prospect Foundation
- **Meeting with the Hon. Shih-chao Cho**, Vice Minister, Ministry of Economic Affairs
- **Meeting with Ms. Bi-khim Hsaio**, Legislator, Legislative Yuan

**THURSDAY, OCTOBER 17, 2013 MEETINGS/CONFERENCES, TAIPEI**

- **Meeting with Vice Admiral Hsi-ming Lee**, Vice Chairman of the Joint Chiefs of Staff, Ministry of National Defense
- **Meeting with Mr. Frank Chang-ting Hsieh**, Former Chairman Democratic Progressive Party
- **Luncheon with Amb. Joseph Ting Shih**, Deputy Minister, Minister of Foreign Affairs
- **Meeting with Dr. Yu Chi Wang**, Minister, Mainland Affairs Council, Executive Yuan
- **Meeting with Chairman Tseng-Chang Su**, Chairman, Democratic Progressive Party
- **Dinner with Dr. Su Chi**, Chairman, Taipei Forum Foundation

**FRIDAY, OCTOBER 18, 2013 MEETINGS/CONFERENCES, TAIPEI**

- **Breakfast with Dr. Ray-kuo Wu**, President, E-telligence Research and Consulting Group
- **Meeting with President Ma Ying-jeou**, President of the Republic of China
- **Meeting with Dr. Tsai Ing-Wen**, Former Chairwoman, Democratic Progressive Party
- **Meeting with the Hon. Hsiu-Chu Hung**, Vice President, Legislative Yuan

**OCTOBER 19-20, 2013 SHANGHAI, PRC**

**SATURDAY, OCTOBER 19, 2013 MEETINGS/CONFERENCES, SHANGHAI**

- **Seminar at Fudan University**, hosted by Professor Shen Dingli
- **Meeting with Huang Renwei**, Vice President, Shanghai Academy of Social Sciences
- **Dinner hosted by China Energy Fund Committee** with General Managers of China Energy Group Corp. Ltd.

**SUNDAY, OCTOBER 20, 2013 MEETINGS/CONFERENCES, SHANGHAI & ARRIVE BEIJING**

- **Seminar with Institute of East Asia Studies, hosted by Hu Lingwei, Shanghai Institute of East Asia Studies**
- **Lunch with Zhang Nianchi, Hu Lingwei and Zhuang Jianzhong**

**TUESDAY, OCTOBER 21-25, 2013 BEIJING, PRC**

**MONDAY, OCTOBER 21, 2013 MEETINGS/CONFERENCES, BEIJING**

- **Meeting with Minister Zhang Zhijun, Director, Taiwan Affairs Council, PRC State Council**
- **Lunch with Vice-Minister Sun Yafu, Taiwan Affairs Council, PRC State Council**
- **Meeting with Vice-Minister Yu Hongjun, IDCPC (International Department of the CPC)**
- **Seminar with Chinese Academy of Social Sciences (CASS), Taiwan Studies Institute**

**TUESDAY, OCTOBER 22, 2013 MEETINGS/CONFERENCES, BEIJING**

- **Meeting with Assistant Minister Zheng Zeguang, Ministry of Foreign Affairs**
- **Lunch with Xu Shiquan, Wang Zhenmin, Tao Wenzhao**
- **Seminar with the Chinese Military Science Academy**

**WEDNESDAY, OCTOBER 23, 2013 MEETINGS/CONFERENCES, BEIJING**

- **Seminar with China Institute of International Studies (CIIS)**
- **Seminar and Luncheon with Tsinghua University's Center for U.S.-China Relations, hosted by its Director Sun Zhe and its Chairman, PH Yu.**

**THURSDAY, OCTOBER 24, 2013 MEETINGS/CONFERENCES, BEIJING**

- **Seminar with China Institute for International Strategic Studies (CIIS), hosted by Major General (ret.) Gong Xianfu**
- **Meeting with Sun Jianguo, Deputy Chief of the General Staff, People's Liberation Army**
- **Seminar with China Institutes of Contemporary International Relations (CICIR), hosted by CICIR President, Ji Zhiye and Vice President, Professor Yuan Peng.**

**FRIDAY, OCTOBER 25, 2013 DEPART BEIJING FOR NEW YORK**

- **Breakfast meeting with Amb. Gary Locke, US Ambassador to the PRC. Also in attendance: Deputy Chief of Mission, Daniel Krintenbrink; and Minister Counselor for Political Affairs, Kaye Lee.**

**A VERY SPECIAL THANKS TO OUR HOSTS AND ORGANIZERS:**

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**Grace Chang**, Taiwan Economic and Cultural Center

**Liu Bo**, China Institutes of Contemporary International Relations

**Lao Dong**, Taiwan Affairs Office