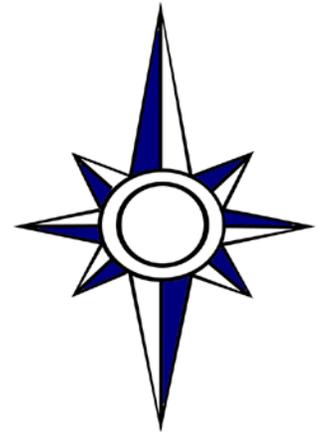




Pacific Forum CSIS



Comparative Connections



A Triannual **E-Journal** on
East Asian Bilateral Relations

edited by

Carl Baker
Brad Glosserman

January – April 2014
Vol. 16, No.1
May 2014

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Pacific Forum CSIS

Based in Honolulu, Hawaii, the Pacific Forum CSIS operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, D.C. Founded in 1975, the thrust of the Forum's work is to help develop cooperative policies in the Asia-Pacific region through debate and analyses undertaken with the region's leaders in the academic, government, and corporate arenas. The Forum's programs encompass current and emerging political, security, economic/business, and oceans policy issues. It collaborates with a network of more than 30 research institutes around the Pacific Rim, drawing on Asian perspectives and disseminating its projects' findings and recommendations to opinion leaders, governments, and publics throughout the region.

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A Triannual Electronic Journal on East Asian Bilateral Relations

Bilateral relationships in East Asia have long been important to regional peace and stability, but in the post-Cold War environment, these relationships have taken on a new strategic rationale as countries pursue multiple ties, beyond those with the US, to realize complex political, economic, and security interests. How one set of bilateral interests affects a country's other key relations is becoming more fluid and complex, and at the same time is becoming more central to the region's overall strategic compass. *Comparative Connections*, Pacific Forum's triannual electronic journal on East Asian bilateral relations edited by Carl Baker and Brad Glosserman, with Ralph A. Cossa serving as senior editor, was created in response to this unique environment. *Comparative Connections* provides timely and insightful analyses on key bilateral relationships in the region, including those involving the US.

We regularly cover key bilateral relationships that are critical for the region. While we recognize the importance of other states in the region, our intention is to keep the core of the e-journal to a manageable and readable length. Because our project cannot give full attention to each of the relationships in Asia, coverage of US-Southeast Asia and China-Southeast Asia countries consists of a summary of individual bilateral relationships, and may shift focus from country to country as events warrant. Other bilateral relationships may be tracked periodically (such as various bilateral relationships with Australia, India, and Russia) as events dictate. Our Occasional Analyses also periodically cover functional areas of interest.

Our aim is to inform and interpret the significant issues driving political, economic, and security affairs of the US and East Asian relations by an ongoing analysis of events in each key bilateral relationship. The reports, written by a variety of experts in Asian affairs, focus on political/security developments, but economic issues are also addressed. Each essay is accompanied by a chronology of significant events occurring between the states in question during the four-month period. A regional overview section places bilateral relationships in a broader context of regional relations. By providing value-added interpretative analyses, as well as factual accounts of key events, the e-journal illuminates patterns in Asian bilateral relations that may appear as isolated events and better defines the impact bilateral relationships have upon one another and on regional security.

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by Michael J. Green, CSIS/Georgetown University, and Nicholas Szechenyi, CSIS

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by Bonnie Glaser, CSIS/Pacific Forum and Jacqueline Vitello, CSIS

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by Catharin Dalpino, Contract Course Chair, Foreign Service Institute

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by Robert Sutter, George Washington University, and Chin-hao Huang, University of Southern California

Chinese efforts to shift the emphasis toward positive economic and diplomatic initiatives and to play down South China Sea territorial disputes foundered in early 2014. Beijing’s continued assertiveness and advances involving fishing regulations, air defense rights, and coast guard and naval activities based on China’s vague and broad territorial claims received repeated, strong US executive branch criticism and firmer opposition in Congress. The US was joined by Japan, the Philippines, and Australia. Official Chinese media noted President Obama’s effort to sidestep direct criticism of China during stops in Malaysia and the Philippines in his April visit to Asia, though the Philippine-US Enhanced Defense Cooperation Agreement was widely criticized. While Southeast Asian media also registered concerns with Chinese assertiveness, most governments tended to avoid criticism of China. Nevertheless, Malaysia and Indonesia voiced unusual concern about China’s broad territorial ambitions.

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by David G. Brown, The Johns Hopkins School of Advanced International Studies, and Keven Scott, The Brookings Institution

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by Aidan Foster-Carter, University of Leeds, UK

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by Scott Snyder, Council on Foreign Relations, and See-won Byun, George Washington University

In early January ROK President Park Geun-hye said relations with China had reached an historic high point, but increasing North Korean belligerence posed a challenge to full implementation of the China-ROK Joint Statement. Even though tensions have escalated on the peninsula, China and the ROK have continued to build on their cooperative strategic partnership. Presidents Xi Jinping and Park met on the sidelines of the Nuclear Security Summit and held telephone talks a month later. Premiers Li Keqiang and Jung Hong-won met on the sidelines of the Boao Forum for Asia in Hainan, while Foreign Ministers Wang Yi and Yun Byung-se held periodic telephone talks. In contrast, China-DPRK contacts have been limited low-level visits and routine “friendship” exchanges. The highest level meeting occurred between Presidents Xi and Kim Yong Nam on the sidelines of the Sochi Winter Olympics. China’s engagement with North Korea has been primarily driven by efforts to mediate the resumption of the Six-Party Talks.

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by James J. Przystup, Institute for National Strategic Studies, NDU

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Is the US a “Wingman” or “Third Wheel”?

by David Kang and Jiun Bang, University of Southern California

For the last few years, it has been popular for Japan-Korea watchers to ask about the possibility of a “reset” in their relations. The best timing for this may be 2015, given that it marks the 70th anniversary of Korea’s liberation from Japan and the 50th anniversary of the Treaty on Basic Relations between Japan-Republic of Korea that normalized relations. As if to refute the idea that there might be any lull before a storm, Tokyo and Seoul rang in the New Year not with bells and whistles but a promotional video for Korea’s claim to Dokdo/Takeshima that went viral on *YouTube*. This may have set the tone for the months to follow. A major theme for the early months of 2014 was the role of the US – both as a setting and an actor – in issues ranging from the naming of the East Sea/Sea of Japan to getting the two heads of state in the same room.

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The Sochi Olympics and the Ukraine crisis tested the upper and lower limits of the China-Russia strategic partnership relations in the early months of 2014. While the Olympics infused new dynamics into the relationship, the turmoil in Ukraine, which British Foreign Secretary William Hague defined as the “biggest crisis” to face Europe in the 21st century, is still escalating. Despite Kiev’s “anti-terror” operations in Ukraine’s east and southeast, pro-Russian militants are now controlling 23 cities – and counting – in Ukraine’s industrial heartland, home to over a third of Ukraine’s GDP. For Russia’s strategic partner in the east (China), there is little space to navigate between Russia, the EU, and Ukraine. Welcome to the brave new world of Beijing’s neutrality with Chinese characteristics.

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Rebalancing Indian Style

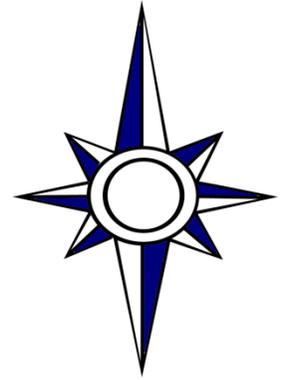
by Satu Limaye, East-West Center

India-East Asia relations since the beginning of 2013 are a model of “low drama.” India continues to steadily manage and move forward its relations with both large and small countries using a mix of tools including government policy, the private sector, and broader societal links. India has been diplomatically, economically, and to some extent militarily rebalancing toward the Asia-Pacific for about 20 years; a result of the dissolution of the Soviet Union and the “Eastern bloc,” the economic dynamism of East Asia, and India’s own “Look East” policies combined with some Asian countries reciprocal efforts (e.g., Japan and ASEAN countries) to expand the role of “external” powers in the region. A careful analysis of India-East Asia ties suggests how much progress has been made in expanding ties and how much potential remains. Closing this gap will be the story of India-East Asia relations for decades. But as tensions rise in Asia and regional countries jostle for economic growth, diplomatic space, and security reassurances it seems a safe bet that India will continue to be an element, and possibly an increasingly important element, of the strategic picture.

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Regional Overview:

Aggressive Diplomacy with Mixed Results

Ralph A. Cossa, Pacific Forum CSIS
Brad Glosserman, Pacific Forum CSIS

President Obama's fifth trip to Asia – his “reassurance” tour – was well-received by all his hosts but drew mixed reviews from pundits and from Beijing. His accomplishments were partly overshadowed by two tragedies – the disappearance of Malaysian Airlines Flight 370 and the sinking of a South Korean ferry – and by lack of progress on the Trans-Pacific Partnership while abroad or on Trade Promotion Authority at home. Obama also tried his hand at peacemaking by bringing Japan's Prime Minister Abe and South Korean President Park together for their first meeting, on the sidelines of the third Nuclear Security Summit. Secretaries Kerry and Hagel also toured the region to promote the “pivot,” with Hagel stopping in Honolulu to host the first US-ASEAN Defense Ministers Meeting. Pressure on Pyongyang to denuclearize has yielded little, other than threats of another nuclear test and an incredibly vile (even by North Korean standards) personal attack on Presidents Park and Obama. Australian Prime Minister Abbott made a successful swing through Northeast Asia, while participants at the Western Pacific Naval Symposium agreed to a constructive (but non-binding) set of rules to prevent encounters at sea. Finally, we opine about the implications for Asia of events in the Ukraine.

Obama's successful/failed reassurance/containment trip

President Barack Obama's April trip to Asia – his fifth as US president – was deemed a huge success by all, except of course by those who deemed it a complete failure, claiming that Obama gave more than he got (especially in Japan), interfered with a national tragedy (ROK), or was merely on a “contain China” tour (Philippines, Malaysia, and everywhere else). If, however, you assumed, as the White House stated, that the trip was aimed at reassuring friends and allies of the US commitment to regional security, that message was heard loud and clear, including by those who did not necessarily like it.

The trip will be covered in more detail in the bilateral chapters that follow. But a few general comments are in order in this Regional Overview. First, White House assertions to the contrary, almost all press reporting on the trip began with the phrase “In an effort to contain China . . .” as if pursuit of US national interests and reinforcing US alliances were not cause enough for the trip. Our favorite quote to underscore this point, from *The New York Times*: “‘We're not interested in containing China,’ Mr. Obama said, even as he embarked on what some experts said could be portrayed as a ‘containment tour.’” Please, Mr. President, don't confuse us with facts.

This is not to say that there were no messages aimed China's way. The big news from Japan was the president's assertion, prior to his trip and then again at a joint press conference with Prime Minister Abe, that “our treaty commitment to Japan's security is absolute. And Article 5 [of the

security treaty] covers all territories under Japan's administration, including the Senkaku Islands." This was not, as Obama reminded the press, a new policy: "The treaty between the U.S. and Japan preceded my birth, so obviously this isn't the red line that I'm drawing," Obama noted, "This is an interpretation that has stretched multiple administrations." Even so, it was the first time a US president had uttered this phrase, which clearly underscored the message and reassured his Japanese allies, much to Beijing's annoyance: "The so-called security alliance between the US and Japan is a bilateral arrangement made during the cold war period, and it should not be used to damage China's sovereignty and legitimate interest," said a Foreign Ministry spokesperson; "We resolutely oppose applying the Diaoyu Islands to the Japan-US security treaty."

Obama also repeated a formulation first made by then-Secretary of State Hillary Clinton last year; namely, that "we oppose any unilateral attempts to undermine Japan's administration of these islands." This statement skirts the edges of an actual endorsement of Tokyo's claim to sovereignty over the islands, somewhat disappointing those Japanese who had hoped (foolishly) that he would make a more definitive endorsement, but nonetheless prompting Beijing to accuse Washington of "taking sides" in the dispute.

Obama "enthusiastically welcomed Japan's desire to play a greater role in upholding international security," further commending Prime Minister Abe "for his efforts to strengthen Japan's defense forces and to deepen the coordination between our militaries, *including by reviewing existing limits on the exercise of collective self-defense* [emphasis added]." While not endorsing the constitutional change (or reinterpretation) specifically, he left no doubt as to where US sympathies lie (and have lain for decades) on this issue. Again, the point had been made by others. In a January interview with *Asahi Shimbun*, US Ambassador Caroline Kennedy had noted that "Japan will be a more effective alliance partner if its Self-Defense Forces are able to help defend American soldiers or sailors if they are attacked." Having the president say it in Tokyo drove home the point.

While Chinese and South Koreans, for their own somewhat paranoid (and we would argue ill-founded) reasons – and North Koreans for good cause – seem to object to the concept, from a US standpoint, Japanese collective self-defense has long been equated to Japan assisting in America's defense, not Japanese militarism. To cite a familiar example: if North Korea fires a missile at Japan, the Self-Defense Forces have a right and responsibility to try to shoot it down. But if the missile is headed toward the US (Hawaii and US bases in Guam are within current missile range), today's interpretation says Japan cannot intercept this missile; that's what collective self-defense is all about and why Washington has traditionally (but quietly) encouraged Japan to move in this direction.

The messages to North Korea became louder when Obama arrived in Seoul. It's true his timing could not have been worse, as the nation was still reeling in the aftermath of the ferryboat tragedy that took so many precious young lives. Our hearts go out to the families of those missing and deceased and to the brave divers still searching for remains. But while Pyongyang condemned the visit – a North Korean front organization claimed that if "Obama have [sic] even an iota of ethics and morality, he should have postponed or shelved his trip – South Koreans by

and large were grateful for the US president's heartfelt comments and the enduring commitment he expressed toward the ROK's security in the face of renewed North Korean threats.

The big news coming from the Seoul visit – beyond the stern warnings of “grave consequences” if the North proceeded with its threatened fourth nuclear test – was a joint decision to *consider* once again delaying the transfer of operational control (OPCON) of ROK forces in wartime from the US to the ROK. As President Park noted in their joint press conference, “we shared the view that the timing and condition of the OPCON transfer slated for 2015 can be reviewed.” Obama avoided the subject in his prepared remarks but in response to a direct question on the subject affirmed that “we have agreed that we could revisit this issue about reviewing the timing and conditions for transfer.” Note that neither said that OPCON transfer would in fact be delayed – that decision will presumably be discussed at this fall's annual defense consultative talks. Nonetheless, every Korean we have talked to (and we were in Seoul around this time) is convinced that the delay will occur; some speculate 2020 is the next target date.

Following his visit with two Northeast Asia allies, Obama made the first visit by a US president in almost 50 years to Malaysia, where he and Prime Minister Najib Razak (aka Dato' Sri Haji Mohammad Najib bin Tun Haji Abdul Razak) launched a new Comprehensive Partnership, described by Najib as “a new phase in our relationship with greater collaboration on the economy, security, education, science, technology, and more.” Malaysia also became the 103rd country to formally sign up to the principles embodied in the US-led Proliferation Security Initiative (PSI), aimed at countering the spread of weapons of mass destruction. Obama also praised the Malaysian government for “working tirelessly” to find the missing Malaysian Airlines flight MH370, asserting that the Malaysian government had been “fully forthcoming” in providing information and “eager for assistance.” Najib in turn noted that “from the day MH370 went missing, the United States lent its considerable expertise to the investigation and its unique capabilities and assets to the search effort,” expressing his gratitude to Obama “for standing by Malaysia in our hour of need.”

As one Malaysian security analyst noted, in a somewhat backhanded but complimentary way: “Usually considered brash and obtrusive, the United States has played a crucial, yet muted role in the multinational search and recovery efforts for missing flight MH370. Typically dominant in a leadership role, this time round the United States has proved itself a steady and reliable partner by taking a backseat role and concentrating solely on the task at hand.”

President Obama also proved to be a steady and reliable partner to the Philippines during the last leg of his trip, in Manila. While there, he underscored the US commitment to its longest standing Asian ally and especially to President Benigno Aquino's bid to take China to court over their maritime dispute: “Today, we have reaffirmed the importance of resolving territorial disputes in the region peacefully, without intimidation or coercion. And in that spirit, I told [Aquino] that the United States supports his decision to pursue international arbitration concerning territorial disputes in the South China Sea.”

Both presidents also endorsed the new Philippine-US Defense Cooperation Agreement that was signed just hours before Obama arrived in Manila, with Obama proclaiming its goal as, “to build Philippine capacity, to engage in training, to engage in coordination – not simply to deal with

issues of maritime security, but also to enhance our capabilities so that if there's a natural disaster that takes place, we're able to potentially respond more quickly; if there are additional threats that may arise, that we are able to work in a cooperative fashion." Obama was also quick to add this caveat: "I want to be very clear: The United States is not trying to reclaim old bases or build new bases. At the invitation of the Philippines, American service members will rotate through Filipino facilities. We'll train and exercise more together so that we're prepared for a range of challenges, including humanitarian crises and natural disasters like *Yolanda*."

The rotational presence of US forces in the Philippines provided reassurance to Manila, even though there were some who were disappointed that Obama did not make a Senkaku-type statement regarding Philippines disputed territories. In truth, the alliance does not cover unoccupied disputed rocks and reefs. It does, however, cover Philippine forces and facilities and Obama made it clear that the US would stand by its Philippine ally, even while calling for a peaceful resolution of territorial disputes everywhere in Asia.

Beijing's (somewhat) muted response

As noted earlier, Beijing quite predictably reacted negatively to Obama's comments regarding the Senkakus (or Diaoyus, as they prefer to call them). Otherwise, Beijing's official commentary on the trip was somewhat muted, however, perhaps in keeping with the "new type of major country relations" being trumpeted by President Xi Jinping. In truth, Chinese official news reporting focused on Obama's comments about "not trying to contain China" more objectively than did the Western media.

This did not stop Chinese pundits from having their say, however. Representative was this commentary by leading US-watcher Shen Dingli:

President Barack Obama has just returned from his Asian tour – but it may have been better if he had never gone in the first place. As part of his major effort to 'rebalance' to Asia by demonstrating U.S. presence and leadership in the region, Obama intended to implement a three-part agenda: assuring allies of the credibility of U.S. security protection, warning China of the dangers of its expanding maritime claim, and fostering a regional free trade zone so the United States can increase its economic advantage. Now, after his April 22-29 trip to Japan, South Korea, Malaysia, and the Philippines, Obama's allies are uncertain, China is increasingly displeased, and the trade deal remains unsigned. The United States is increasingly unable to balance Asia and the world. Obama may not recognize that, but one of his successors certainly will. The future for all of these countries lies increasingly with Asia – not with the United States.

One suspects that this statement says more about Chinese attitudes than it does about the success or failure of Obama's visit.

Messages received and missed

If one goal of the trip was to reassure US friends and allies, we can safely say "mission accomplished." If another goal was to reinforce the view that the Obama administration's "pivot" or "rebalance" was multidimensional – with political, economic, and socio-cultural as well as security elements – that message was not so clearly received and may have once again been

inadvertently undercut. With the “failure” to get concessions from Prime Minister Abe on the Trans-Pacific Partnership (TPP) (a drama we will cover shortly), almost all the major headlines of the trip – Senkakus reassurances, support for collective self-defense, OPCON transfer delay and stern warnings to Pyongyang, the Defense Cooperation Agreement with the Philippines, and even Malaysia’s signing up to the PSI – reinforced the military/security aspects of the pivot.

There were, of course, other lower profile aspects to the trip, including people-to-people exchanges and efforts to enhance economic cooperation – the Philippines even talked about maybe joining TPP; Malaysia is already a member – but it was the various security-related developments that seized pride of place and were the main takeaways from the visit.

Tarnished TPP?

Some observers (wrongly) anticipated that a deal would be struck (or at least significant progress would be made) on TPP when Obama met Prime Minister Abe in Tokyo, but that was unrealistic: the two sides were too far apart to find common ground in the short time available, even with the drama created by the announcement that the two sides would put off issuing a joint statement and would extend talks by the two top trade officials. Moreover, coming on the heels of the Australian agreement (details below), Abe could dig in his heels and play hard ball. And it never looks bad to stand up for your staunchest supporters – the farmers’ lobby – standing next to their nemesis, as Abe did in the joint press conference with Obama.

The president came to Tokyo with little leverage, given the failure of the US Congress to grant him Trade Promotion Authority (TPA, usually called “fast track”), which mandates that Congress vote either up or down on trade legislation, ensuring that trade agreements are not reopened after negotiation. (No country would be willing to put its final offer on the table if it knew that Congress could then demand yet more concessions.) In Washington, the biggest impediment is Obama’s own party. During his State of the Union address, Obama sang the virtues of TPA: “We need to work together on tools like bipartisan trade promotion authority to protect our workers, protect our environment, and open new markets to new goods stamped ‘Made in the USA.’ China and Europe aren’t standing on the sidelines. Neither should we.” Unfortunately, Senate Majority Leader Harry Reid immediately shot down the idea; neither Reid nor Obama has had the political courage to buck their own staunch supporters (unions, environmentalists), so why on earth should Abe? The assumption (read: last hope) is that a lame-duck Congress will move on granting TPA after the Nov 2014 election. If this is in fact the case, the prospects for TPP will improve in 2015. If it is not, it is hard to imagine a deal being cut since Obama will then be seen as a lame duck himself.

In the aftermath of the trip, there is increasing bitterness among Americans, with Secretary of Agriculture Tom Vilsack suggesting that if Japan isn’t prepared to compromise, then TPP should proceed without Tokyo. (Even before the Tokyo trip, the Republican chair of the House Ways and Means Committee made the same suggestion.) By this reasoning, if the goal is a gold standard, then better to leave Japan out than reach a tarnished deal. That tough talk could just be a scare tactic: Prime Minister Abe made clear his appreciation of the strategic value of the TPP in his remarks at the joint press availability with President Obama. But the frustrations of US trade negotiators are ever more evident.

Some suggest that Washington turn to other Asian trade partners to increase pressure on Tokyo, although the effectiveness of this option is also weakened by lack of TPA. One prospect is South Korea and Seoul has since late last year has shown interest in joining the negotiations. While that seems absurd at this late date, the bigger concern – at least for Washington – are issues related to the implementation of the Korea-US Free Trade Agreement (KORUS), most significantly customs procedures. US officials have insisted that those problems have to be cleared up before Seoul takes up the much thornier question of TPP membership. Expect increasingly acrimonious negotiations with Japan, but a deal is likely this year or next, IF TPA is granted.

Kerry and Hagel continue their pivot as well

While the Obama trip grabbed the headlines, both Secretary of State John Kerry and Secretary of Defense Chuck Hagel also made trips to the region in the first third of the year. For Kerry, it was his fifth trip to Asia since replacing Secretary Clinton. While Clinton was seen as more Asia-focused – her first visit abroad as secretary of state was to Asia – and Kerry has seemingly spent every other week either in the Middle East or Europe (with precious little to show for it), the fact remains that Kerry has been a more frequent visitor to Asia than Clinton was at this point in her tenure. She had only three trips – a fourth was scheduled and cancelled due to the Haiti earthquake – to Kerry’s five. Sometimes perceptions and reality don’t match.

Kerry’s February trip to Seoul, Beijing, and Jakarta will also be covered in the bilateral chapters that follow, as will Hagel’s April trip to China and Japan. The final stop on Hagel’s latest Asia tour – his fourth in less than 12 months – to Ulaanbaatar, resulted in the issuance of a joint vision statement between Hagel and Mongolian Defense Minister Dashdemberel Bat-Erdene, “designed to deepen a decade-long defense relationship built on shared interests and forged in combat as troops of both nations fought together in Iraq and Afghanistan.” Hagel made a point on calling his South Korean counterpart when en route home from Mongolia to brief him on his visit.

The most significant part of Hagel’s trip took place not in Asia but on our home turf here in Honolulu on his way out when he conducted the first ASEAN-US Defense Ministerial Meeting on April 1-3. “ASEAN is an important affirmative investment for the United States,” a defense spokesperson noted just prior to the meeting; “we view ASEAN as a central and strategic player in the region, and this trip, and this particular informal meeting we’re hosting in Hawaii, is an opportunity to express that.” The US-ASEAN Defense Forum had three main segments: a humanitarian-assistance and disaster-response roundtable, a series of site visits to military bases and to a National Oceanic and Atmospheric Administration tsunami-threat and detection facility, and an informal dialogue among the ministers on the final day.

In reflecting upon his trip, Hagel noted that “for all those discussions in this 10-day trip it’s clear to me that to preserve the region’s growth and dynamism and opportunities depends on 14 strong security relationships throughout the region, increasing cooperation in areas of common interest, and resolving disputes peacefully.”

Soothing ruffled feathers

One of the most frustrating developments facing US alliance managers in Northeast Asia is the continuing tensions between Korea and Japan over insults and actions, real and perceived, normally wrapped in a package called “history issues.” President Obama is to be commended for trying to reduce these tensions, not just during his visit with both allies but especially when he arranged a trilateral summit meeting with Prime Minister Abe and President Park along the sidelines of the Nuclear Security Summit in The Hague in March.

The agenda focused on the regional threat posed by North Korea, but the real purpose was to get the Abe and Park in the same room for their first face-to-face meeting since both assumed the mantle of leadership. While it would be a gross overstatement to say that the meeting was successful in burying any hatchets, it at least opened the door for lower-level direct dialogue between the two allies. Koreans remain suspicious of Abe’s intentions and wait for new examples of his “revisionist” tendencies while Japanese are suffering from “Korea fatigue,” the belief that whatever Tokyo says or does will not be enough to placate Seoul so why keep trying. At the end of the day, leaders in both nations (and even their general publics) understand that good relations between Japan and the ROK serve the national security interests of both countries (and those of the US as well). But each remains suspicious and seems to believe the ball is in the other’s court, and this is not a recipe for future success.

The one subject all three agree on is the need for a strong unified stand when dealing with North Korea. As President Obama noted in an official statement following the trilateral, “close coordination between our three countries has succeeded in changing the game with North Korea, and our trilateral cooperation has sent a strong signal to Pyongyang that its provocations and threats will be met with a unified response and that the U.S. commitment to the security of both Japan and the Republic of Korea is unwavering, and that a nuclear North Korea is unacceptable.”

Pyongyang sent a strong signal back, test-firing two road-mobile *Rodong*-class ballistic missiles capable of reaching targets throughout South Korea and Japan, an action specifically banned by several UN Security Council resolutions.

Pyongyang gets uglier

In our last report, we proclaimed the end of Pyongyang’s “smile offensive.” Since then, it has simply been offensive. When it comes to hurling insults at national leaders, few can come close to North Korea’s propaganda department. But the invectives of the last few months have achieved a new low, even by Pyongyang’s standards. During Obama’s visit to Seoul, Pyongyang launched a relentless verbal assault on President Park, calling her a “capricious whore,” a “wicked sycophant and traitor,” a “dirty comfort woman for the US,” and a “despicable prostitute selling off the nation.” Her other great sin, in addition to hosting President Obama, was proposing an “Initiative for Peaceful Unification on the Korean Peninsula” during a speech in Dresden in late March. (See Aidan Foster-Carter’s chapter for details). Pyongyang immediately rejected her proposal, calling it a plan for “unification by absorption.”

The North also became more personally insulting in referring to President Obama as well, calling him a “clown,” a “dirty fellow,” and a “crossbreed with unclear blood” who “still has the figure of a monkey while the human race has evolved through millions of years.” And then it got worse: “It would be perfect for Obama to live with a group of monkeys in the world’s largest African natural zoo and lick the breadcrumbs thrown by spectators.” One wonders what Kim Jong Un’s close buddy Dennis Rodman thinks of these racist diatribes, much less the leaders of the African nations Pyongyang continues to try to woo.

While one is best served by ignoring such nonsense, what we cannot ignore are the North’s renewed threats to conduct another nuclear test. On March 30, Pyongyang threatened to conduct a “new form of nuclear test for bolstering up our nuclear deterrence,” claiming that it had a “more diversified nuclear deterrence” capable of hitting medium- and long-range targets “with a variety of striking power.” While the rest of our reporting period passed without such a test, Pyongyang reminded us on April 29 that “there is no expiration date on our statement of 30 MAR, when we declared that a new type of nuclear test could not be ruled out.”

Beijing has joined Washington, Seoul, and Tokyo in warning Pyongyang not to conduct another nuclear test but history has shown that when all else fails it’s usually a safe bet to trust in the North doing what it says it will do, threatened consequences be damned. And it’s not clear just what the “grave consequences” would be if the North conducted another test. A new round of sanctions would no doubt occur, but it’s not the enactment of sanctions that would deter Pyongyang but their strict enforcement, and the North has yet to be given any real reason to believe that this will take place.

When specifically asked during her press conference with President Obama what the South would do in response to another nuclear test, President Park stated that this would “change fundamentally the security landscape and I believe that all our efforts to resolve the nuclear issue through the Six-Party Talks is going to be completely dissolved.” Perhaps, but the North seems in no rush to resume negotiations anyway (nor does Washington for that matter); in the past Pyongyang has used the tests as leverage to get the others back to the table.

We would respectfully suggest that if Washington, Seoul, Tokyo, and Beijing (and let’s throw in Moscow for good measure) are really serious about wanting to deter another test, that they should hold a round of five-party talks now and develop a credible list of consequences should the test occur . . . and follow through if/once the test happens. As in the past, China’s response is particularly important. As President Park noted, “against this very dangerous situation, I really look forward to China’s leading role in making sure that the threat is not going to be translated into action. That is my hope.” . . . and hope springs eternal!

Prime Minister Abbott’s Northeast Asia trifecta

While President Obama’s Asia tour captured international attention, a similar Northeast Asian sojourn by Australian Prime Minister Tony Abbott garnered fewer column inches, while producing some striking results. In early April, Abbott visited Japan, South Korea, and China, deepening economic relations with all three key trading partners and promoting closer security ties. In Japan, Abbott and Japanese Prime Minister Abe Shinzo “confirmed substantive

agreement” on a long-sought Economic Partnership Agreement, which the Australian government called “the most significant economic accord between the two countries since the 1957 Agreement on Commerce.” The Joint Statement noted Abbott’s support for Japan’s efforts to increase its security role and both leaders vowed to increase trilateral (with the US) security cooperation. Building on the 2007 Joint Declaration on Security Cooperation, they also announced “their intention to elevate the bilateral security and defence relationship to a new level, emphasizing “further expanding combined defence training through improved interoperability between the two countries’ defence organisations.” They launched a bilateral cyber security dialogue and mooted the prospect of similar discussions in other areas, such as space. Abbott was honored with being the first foreign leader to address Japan’s new National Security Council.

In Seoul, Abbott and President Park released a Joint Vision Statement that included, among other things, a pledge to “further develop our patterns of bilateral and joint exercising, and strengthen practical defence cooperation including in the fields of maritime security, humanitarian assistance and disaster relief,” along with the inauguration of a dialogue on cyber security and a pledge to cooperate in space (sound familiar?). They acknowledged the importance of trilateral (Australia-ROK-US) defense cooperation and promised to review and upgrade existing agreements for bilateral defense cooperation. Future “2+2 meetings” (of top defense and foreign policy officials) will “develop a blueprint for further cooperation in security and defence.” On the economic front, they signed the Australia-ROK Free Trade Agreement, which is, reported President Park, “a landmark in the evolution of our ties.” The FTA eliminates tariffs on automobiles, which account for 25 percent of Korean exports to Australia and investments from Korea valued below \$1 billion will be exempt from Australia’s foreign investment review. On entry into force, 84 percent of Australia’s exports (by value) to Korea will enter duty free, an amount that will rise to 99.8 percent on full implementation, and Australian investors will receive treatment on par with the best offered any foreign investor in the ROK. For its part, Australia will remove remaining tariffs on Korean goods on entry into force or over several years. At their joint press conference, Abbott estimated that the FTA would boost both countries’ GDP by over \$20 billion over the next decade.

In China, economic and trade issues dominated – not surprising when the visit included Australia’s largest ever trade mission with more than 700 businesspeople. Progress was made toward conclusion of a FTA, and a fall deadline has been set for finalizing the deal, the final piece of Australia’s Northeast Asian trade trifecta. The two governments also took on security issues: the two countries already hold a strategic dialogue and mil-mil relations are, for at least one observer, “the closest ties that the People’s Liberation Army had with any Western military.”

Abbott’s trip was a success by any yardstick. And while the emphasis on security issues may seem normal to US observers, it is a departure for Australia. Economics have dominated Australian relations with Northeast Asia and the creep of security issues into its relations is for many a positive development and heralds an evolving role that should be highlighted.

If there is one potential problem with the trip, it is the EPA signed with Japan. While the agreement has been (predictably) lauded as a success in Tokyo and Canberra, it elicited (equally

predictable) howls in the United States. The deal cuts Japan's 38.5 percent tariff on Australian beef in half over 18 years in exchange for a phase out of Australia's 5 percent tariffs on Japanese autos three years after the deal goes into effect. Tariffs on butter and wheat will be discussed for a possible review in the future, but rice was excluded from any tariff reduction negotiations. In short, Australia gets the most market access of any of Japan's trade partners, but it isn't free trade. And that incensed US trade negotiators and analysts – not least because it strengthened Japan's hand in bilateral negotiations with the US by providing an acceptable alternative to Washington's zero tariff position.

The mystery of MH 370

Dominating headlines for much of the quadrimester was the disappearance of Malaysian Airlines flight 370 (MH370). As we go to press, the location of the plane and the facts behind its disappearance remain unknown. While the loss of an aircraft with 240 passengers and crew is an enormous tragedy, the fate of MH370 has had an effect that extends far beyond the loss of life. Incredibly, a modern aircraft plying well trafficked routes has vanished without a trace. A huge international rescue effort – at its peak involving 26 countries, and including almost 60 ships and 50 aircraft – has utterly failed to find the plane or shed light on what happened. The disaster and the chaotic response highlighted the need for international cooperation – as well as significant shoring up of air traffic controls in Southeast Asia.

Since many of the passengers were Chinese citizens, the Beijing government has been especially forward leaning during the rescue efforts, demanding explanations and results from the Malaysian government. To some degree, Chinese government pressure reflected the complaints of those families, but some commentators highlighted the gap between China's rising power and its inability to get answers or results. Whatever the cause, there has been growing friction between Kuala Lumpur and Beijing, which even prompted Malaysia to charge that some of the time was lost because of inaccurate information from Chinese air traffic control. As noted earlier, President Obama praised the Malaysian government's efforts when he visited in April, a much appreciated show of support that contrasted with China's pique.

In case you missed it

There were a few other multilateral meetings of note during 2014's first four months, including the third Nuclear Security Summit (NSS), the 14th Western Pacific Naval Symposium (WPNS), and its associated International Fleet Review.

NSS 2014. In an effort to “make the world a safer place,” 58 world leaders attended NSS 2014, agreeing to new measures aimed at reducing the amount of dangerous nuclear material in the world that terrorists could use to make a nuclear weapon (highly enriched uranium and plutonium); improving the security of radioactive material (including low-enriched uranium) that can be used to make a ‘dirty bomb’; and improving the international exchange of information and international cooperation. NSS countries agreed to keep the quantities of nuclear material as low as possible, and to reduce them where possible. Countries that use highly enriched uranium or plutonium as fuel for power generation will limit the quantity involved. The US, which hosted the first NSS in 2010, agreed to host the next session in 2016. The 2012 NSS was held in Seoul.

WPNS. In mid-April, naval leaders and representatives from 25 countries gathered in Qingdao, China for the biennial Western Pacific Naval Symposium, which focuses on building naval security and maritime cooperation among Pacific Rim nations. Founded in 1987, the WPNS currently has 21 member states plus four observers; China, a founding member, hosted for the first time. The highlight of the meeting was the adoption, unanimously, of a Code for Unplanned Encounters at Sea (CUES), a voluntary, non-binding agreement outlining how warships should communicate and maneuver when they come into contact in heavily trafficked sea lanes. The Code was actually proposed more than a decade ago; at the last WPNS, in Kuala Lumpur in 2012, China was the sole country to oppose CUES, citing dissatisfaction with the word “code” (implying legal force).

Chinese naval spokesmen now are hailing the agreement as a “milestone document” which will “effectively control maritime crises and help avoid incidents of interference and collisions in international waters.” However, as Senior Capt. Ren Xiaofeng, the head of the Chinese navy’s Maritime Security/Safety Policy Research Division, reminded the *Wall Street Journal*, “it’s recommended, not legally binding.” As Ren reinforced, implementation required bilateral agreements between the involved navies: “How we arrange things, how we use this thing, that’s something we need to talk about. We’re just talking about the rules. Whether or where or when these rules will apply—it leaves that open, leaves it to bilateral [negotiations].”

International Fleet Review. The WPNS is normally accompanied by an international fleet review involving those members who choose to send ships to the meeting’s locale for a navy parade. This year China decided to not extend an invitation to Japan, given continuing tensions over disputed territories in the East China Sea. The US, as a matter of principle, turned down Beijing’s invitation in response to this snub.

The Crimean effect (not a Ludlum novel)

Finally, casting a long shadow over foreign relations in Asia are events half a world away. The surreptitious annexation of Crimea (and perhaps eventually eastern Ukraine) by Russia has raised questions about the readiness of the Obama administration to stand up to violations of international law and the president’s willingness to use force to defend US national interests. We would counter that both questions are ill informed and misdirected, but as ever the *Economist* captured the zeitgeist with its May 3 cover story, “What would America fight for?”

The Obama Asia tour was a partial response to some of those questions; he was reassuring US allies throughout his trip of the US commitment to the region and their defense. If 80 percent of success is just showing up, the president made progress. But other elements of the Crimean situation have rippled through Asia and warrant mention here.

The first is the degree to which the renewed attention on Europe challenges the US commitment to the rebalance. Some argue that Putin’s land grab is a result of the US “neglect” of Europe and that Washington should refocus on the grand strategic threat to Europe posed by a resurgent (and hungry) Russia. Obama’s tour, the unhesitating rhetoric in defense of regional commitments, and the logic behind the rebalance should quiet that assertion.

Second, there is speculation that Russia will shift its focus to Asia after antagonizing Europe. Journalist Francesco Sisci (“Ukraine crisis forces Eurasian evolution,” *PacNet* #35, May 5, 2014) argued that Putin is now obliged to forge a new relationship with Asia in the wake of sanctions that restrict Russian access to European markets. China will be one of the chief beneficiaries of this process, as Beijing will find its position strengthened in the partnership with Russia that is going to emerge. The contours of that new relationship should be on display during Putin’s visit to Beijing in late May.

Third, China’s readiness to back Russia’s move into the Crimea (and eastern Ukraine) is at odds with Beijing’s position on other cases of self-determination closer to home, in particular Taiwan. It isn’t clear how far Beijing will go here, but it casts doubt on China’s claim to respect international law and its sacred principle of nonintervention, thus making China look cynical and opportunistic. This could also come back to haunt Beijing in another way. As Putin the Great looks to rebuild the historic Russian Empire, his attention will inevitably turn to the so-called “near abroad,” Central Asia, where China poses the greatest challenge to Russian hegemony.

Finally, Russia’s power play makes it more difficult for Japanese Prime Minister Abe to pursue diplomacy that aims at reaching some resolution of the Northern Territories dispute. Abe had hoped to forge some solution to the longstanding problem when he met President Putin in early May. Abe may feel that Putin’s problems with the West make a deal with Japan look more inviting, but, Putin has never displayed an inclination to compromise on territorial issues (and the Crimean play suggested just the opposite). It is hard to see Moscow ceding land after whipping up a nationalist fervor to annex the Crimea.

Regional Chronology **January – April 2014**

Jan. 1, 2014: Myanmar assumes chairmanship of ASEAN for the first time since joining the association in 1997.

Jan. 6-8, 2014: South Korean Foreign Minister Yun Byung-se visits Washington and meets Secretary of Defense Hagel and Secretary of State John Kerry.

Jan. 7, 2014: US [announces](#) the deployment of an additional mechanized infantry battalion equipped with tanks and armored infantry fighting vehicles to Korea.

Jan. 7-8, 2014: US and South Korea hold ninth round of talks on replace of the 1974 treaty on civil nuclear cooperation.

Jan. 12-17, 2014: Malaysian Minister of Defense Hishammuddin Hussein visits the US with stops in Honolulu and Washington where he meets Secretary of Defense Chuck Hagel to discuss international security issues, including Afghanistan, North Korea, and the role of the Association of Southeast Asian Nations (ASEAN) in addressing regional security challenges.

Jan. 13, 2014: Anti-government protesters in Thailand begin a shutdown of Bangkok by blocking intersections, and cutting utilities to government buildings.

Jan. 13, 2014: South Korea and US hold preliminary discussions in Washington on possibility of South Korea participating in Trans-Pacific Partnership (TPP).

Jan. 15, 2014: North Korea's Committee for Peaceful Reunification of the Fatherland [says](#) that USFK joint military exercises *Key Resolve* and *Foal Eagle* drills are tantamount to a declaration of "full-scale nuclear war" and "if carried out, will fatally destroy the inter-Korean relations and trigger unimaginable calamities and disasters."

Jan. 15-18, 2014: South Korean President Park Geun-hye leads a delegation to India and meets Prime Minister Manmohan Singh and other senior leaders.

Jan. 17, 2014: ASEAN foreign ministers meet in Bagan, Myanmar.

Jan. 19, 2014: Inamine Susumu is reelected mayor in Nago on the east coast of Okinawa after vowing to oppose the relocation of US Marine Corps Air Base at Futenma to a base near the city.

Jan. 19-24, 2014: US Deputy Secretary of State William Burns visits South Korea, China, and Japan to discuss bilateral, regional, and global issues.

Jan. 20, 2014: Chinese naval vessels including an island landing ship begin military exercises in the South China Sea that will focus on integrated combat missions involving ships, submarines, and aircraft. The deployment is part of annual exercises and includes combat exercises in the West Pacific Ocean and the East Indian Ocean.

Jan. 20-27, 2014: US Assistant Secretary for East Asian and Pacific Affairs Daniel Russel visits China, Japan, South Korea, and Singapore. He accompanies Deputy Secretary Burns in China and Japan; he leads the US delegation at the US-Singapore Strategic Partnership Dialogue.

Jan. 21, 2014: Thailand's Prime Minister Yingluck Shinawatra declares a 60-day state of emergency in Bangkok and surrounding areas in response mass protests aimed at overthrowing the government, but rules out using force to end the rallies.

Jan. 21, 2014: Chinese media reports that Hainan province and the city of Sansha will set up new civilian patrols in the South China Sea. The intent is to "safeguard national sovereign rights and benefits, develop at-sea assistance, [and] ensure navigational safety."

Jan. 25-27, 2014: Japan's Prime Minister Abe Shinzo visits India and meets Prime Minister Manmohan Singh. He is a guest of honor at India's Republic Day parade and calls for closer commercial and strategic ties with India.

Jan. 26-31, 2014: US Special Representative for North Korea Policy Glyn Davies visits China, South Korea, and Japan to discuss North Korea policy.

Feb 2, 2014: Thailand holds general election. The Democratic Party boycotts the election and voting is canceled in nine provinces due to violent protesters.

Feb. 7, 2014: Japanese Foreign Minister Kishida Fumio meets Secretary of State John Kerry to finalize plans for President Obama's upcoming trip to Japan. He also meets Secretary of Defense Chuck Hagel and National Security Advisor Susan Rice.

Feb. 7, 2014: Opening ceremony for the 2014 Winter Olympics is held in Sochi, Russia. Chinese President Xi Jinping and Japanese Prime Minister Abe Shinzo attend and meet President Vladimir Putin separately while there.

Feb. 11-14, 2014: Taiwan's Mainland Affairs Council (MAC) Minister Wang Yu-chi visits China and meets China's Taiwan Affairs Office (TAO) Director Zhang Zhijun in Nanjing on Feb. 11. The meeting is the highest-level dialogue between officials from China and Taiwan since 1949. Wang also visits the tomb of Sun Yat-sen.

Feb. 13-17, 2014: Secretary of State Kerry visits Asia with stops in Seoul, Beijing, and Jakarta to meet senior government officials to discuss bilateral, regional, and global issues.

Feb. 17, 2014: The UN Commission of Inquiry on Human Rights in North Korea releases a lengthy report that accuses the DPRK government of actions that "constitute crimes against humanity and should be referred to an international court or tribunal for prosecution."

Feb. 17-20, 2014: Former Taiwan Vice President Lien Chan leads an 80-person delegation to China and meets President Xi Jinping. *Xinhua* report identifies Xi as "general secretary of the Communist Party of China Central Committee and Lien as "Kuomintang honorary chairman." Lien tells reporters in Taipei that he was not representing any organization or political party, nor would he convey any message to Xi from Taiwan President Ma Ying-jeou.

Feb. 18, 2014: Thailand's National Anti-Corruption Commission announces that Prime Minister Yingluck Shinawatra will be charged with neglect of duty over a rice farm subsidy scheme and could be removed from office if found guilty.

Feb. 18, 2014: Officials from the Philippines, Malaysia, and Vietnam meet in Manila to coordinate policy regarding Chinese activities in the South China Sea. Fellow claimant Brunei fails to send representatives to the meeting, despite originally agreeing to attend.

Feb. 20-25, 2014: North and South Korea hold reunions of war-separated families at the Mt. Kumgang resort marking the first such reunions in three years.

Feb. 22-25, 2014: Twelve countries involved in the proposed Trans-Pacific Partnership meet in Singapore but fail to reach an agreement over differences regarding tariffs on imported goods.

Feb. 24, 2014: President Obama approves an agreement to allow cooperation between the United States and Vietnam on civilian nuclear projects.

Feb. 24-April 18, 2014: US-ROK conduct annual combined field training exercise *Foal Eagle*, which will mobilize 7,500 personnel. In addition *Key Resolve*, a combined command post exercise, will be held Feb. 24 – March 6.

Feb. 25, 2014: Philippines Department of Foreign Affairs (DFA) summons China's ambassador over allegations that a Chinese surveillance ship fired water cannons at Philippine fishing vessels near Scarborough Shoal (Chinese: Huangyan Island, Philippines: Bajo de Masinloc. China dismisses the protest, saying its sovereignty in the area is "indisputable."

Feb. 27, 2014: China's Standing Committee of the National People's Congress (NPC) ratifies two new national days, one to mark victory of the war against Japanese aggression (Sept. 3) and the other to commemorate victims in the Nanjing Massacre (Dec. 3).

Feb. 27, 2014: North Korea launches four short-range missiles into the East Sea (Sea of Japan).

Feb. 27-28, 2014: Philippine President Benigno Aquino visits Kuala Lumpur and meets Prime Minister Najib Razak.

March 3, 2014: Red Cross officials from North Korea and Japan meet in Shenyang, China to discuss the return of the remains of Japanese nationals from the North.

March 3, 2014: North Korea launches two short-range missiles into the East Sea.

March 8, 2014: Malaysia Airlines Flight 370 loses contact with air traffic control and disappears from radar over the Gulf of Thailand, leading to a multinational search that begins in the South China Sea and eventually extends to the Strait of Malacca, the Andaman Sea, and to southern part of the Indian Ocean.

March 9, 2014: Chinese Coast Guard vessels prevent two ships contracted by the Philippine Navy to deliver supplies and replacement troops to a Philippine outpost on the Second Thomas Shoal (Philippines: Ayungin Shoal, China: Ren'ai Reef), claiming the ships were carrying construction materials in violation of the 2002 Declaration on Conduct in the South China Sea.

March 10, 2014: Philippines airdrop supplies to soldiers stationed on Second Thomas Shoal.

March 11, 2014: Philippines DFA summons Charge d'affaires from Chinese Embassy in Manila to protest blockade of its ships attempting to deliver supplies to soldiers on Second Thomas Shoal, saying that it had "no plans to expand or build permanent structures on the shoal."

March 12, 2014: Japanese Vice Foreign Minister Saiki Akitaka visits South Korea and abruptly curtails the visit after meeting with Korean counterpart Cho Tae-yong. It is the first contact between senior officials from the two countries in eight months.

March 14, 2014: North Korea's National Defense Commission states that it will continue efforts "to bolster up its nuclear deterrence for self-defence."

March 16, 2014: North Korea fires 25 short-range missiles in three separate volleys into the East Sea (Sea of Japan).

March 18, 2014: Officials from China and ASEAN member countries meet in Singapore to discuss a code of conduct governing maritime activity in the South China Sea.

March 21, 2014: Thailand's Constitutional Court nullifies the Feb. 2 general election and orders that new elections must be undertaken.

March 22-23, 2014: North Korea fires 46 short-range missiles into the East Sea.

March 25, 2014: President Barack Obama, Japanese Prime Minister Abe Shinzo, and South Korean President Park Guen-hye meet on sidelines of the Nuclear Security Summit in The Hague, Netherlands.

March 25, 2014: North Korea fires two medium-range missiles using mobile launchers into the East Sea.

March 27, 2014: The Philippines and the Moro Islamic Liberation Front sign a peace treaty entitled [Comprehensive Agreement on the Bangsamoro](#).

March 28, 2014: Dozens of foreign aid workers leave Sittwe, the capital city of Rakhine state in Myanmar, after their offices were attacked during riots.

March 28, 2014: The Philippines signs agreements valued at \$528 million to purchase military aircraft from South Korea and Canada.

March 28-April 3, 2014: Ships from 17 nations including all 10 ASEAN members, China, India, Japan, New Zealand, Russia, South Korea, and the US participate in the biannual humanitarian assistance and disaster relief *Exercise Komodo* in Indonesian waters around the Natuna Islands.

March 30, 2014: Philippine government files a 4,000-page memorandum on its claims on the East China Sea with the Permanent Court of Arbitration in The Hague.

March 30-31, 2014: Japan and North Korea hold first formal talks in over a year in Beijing.

March 31, 2014: North and South Korea exchange artillery volleys into contested waters on the western side of the Korean Peninsula.

April 1, 2014: Japan announces a relaxation of restrictions on weapons exports.

April 1-3, 2014: Secretary of Defense Hagel meets ASEAN defense ministers in Hawaii.

April 2-5, 2014: Two Japanese Maritime Self-Defense Force destroyers visit the Philippines and undertake maneuvering training with the Philippine Navy.

April 4-10, 2014: Secretary Hagel visits Asia with stops in Japan, China, and Mongolia.

April 7, 2014: US Special Representative for North Korea Policy Glyn Davies hosts a trilateral meeting with ROK Special Representative for Korean Peninsula Peace and Security Affairs Hwang Joon-kook and Japanese Ministry of Foreign Affairs Director General for Asian and Oceanian Affairs Junichi Ihara to exchange views on a wide range of issues related to the DPRK.

April 7-10, 2014: Assistant Secretary for East Asian and Pacific Affairs Daniel Russel visits Thailand and Burma.

April 7-14, 2014: Australian Prime Minister Tony Abbott visits Northeast Asia with stops in Japan, South Korea, and China.

April 14-17, 2014: Chinese Special Representative for Korean Peninsula Affairs Wu Dawei visits the US and meets Special Representative for North Korea Policy Davies in New York and Washington to exchange views on issues related to the DPRK.

April 17, 2014: UN Security Council meets to discuss human rights violations in North Korea outlined in the UN Commission of Inquiry on Human Rights in North Korea. Russia and China do not attend the meeting.

April 17-18, 2014: US, South Korea, and Japan hold Trilateral Defense Dialogue in Washington.

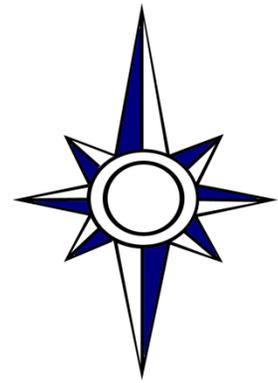
April 21-22, 2014: The 14th annual meeting of the Western Pacific Naval Symposium is held in Qingdao, China. Member states endorse the Code for Unalerted Encounters at Sea (CUES), a navy-to-navy system designed to reduce misunderstandings and avoid maritime accidents.

April 23-29, 2014: President Obama visits Asia with stops in Tokyo, Seoul, Kuala Lumpur, and Manila.

April 28, 2014: The Philippines and the US sign a 10-year Enhanced Defense Cooperation Agreement (EDCA) that allows US military forces to access military bases in the country.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



US-Japan Relations: The Sushi Summit

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The Abe government focused on the economy, energy strategy, and defense policy reform but the timeline for implementing these pillars of Abe's agenda was uncertain. A flurry of bilateral diplomacy paved the way for various initiatives including a trilateral summit with South Korean President Park Geun-hye and President Obama in The Hague. Obama made a state visit to Japan highlighting areas for strategic cooperation between Japan and the United States but the two governments were not able to conclude a bilateral trade agreement that would strengthen the economic pillar of the alliance.

Abe's domestic agenda

Prime Minister Abe Shinzo began his second year in office focused on key pillars of his policy agenda: the economy, energy, and defense policy reform. To offset the potentially adverse effects of a consumption tax increase from 5 to 8 percent, which came into force on April 1 per legislation passed in 2012, the Abe government introduced a \$53 billion supplementary budget approved by the Diet in February to sustain fiscal stimulus, or the "first arrow" of Abe's economic policy ("Abenomics"). Abe also pledged to cut corporate taxes in an address to the World Economic Forum in Davos, but that fueled an ongoing debate back home about the importance of stimulus vs. fiscal consolidation. The "second arrow," or monetary easing by the Bank of Japan, appeared to push the economy toward inflation as intended. In March the government released a list of regions and cities designated as "national strategic special zones" that would introduce various incentives for investment to support the "third arrow" or structural reform agenda widely deemed essential for sustainable growth. Details on the parameters for deregulation and other initiatives that would signal substantial reform in the special zones were expected in a rollout of additional growth policy initiatives scheduled for June. Meanwhile, protracted trade negotiations with the United States linked to the Trans-Pacific Partnership (TPP) left questions about the potential for trade liberalization as an engine for reform unanswered (more below). The Abe government also released a basic energy plan in April outlining an energy security strategy including nuclear power, but devoid of details on the future energy mix due to a glacial inspection process for restarting Japan's idle nuclear power plants.

Defense policy also garnered attention as the government began to consider reinterpreting the constitution to exercise the right of collective self-defense. A report by a government advisory panel listing recommendations for this policy was postponed to late spring, but Prime Minister Abe discussed his general intentions in testimony before the Diet and the ruling Liberal Democratic Party (LDP) established a special working group to examine the issue in detail. The leadership of Komeito, a junior coalition partner of the LDP, expressed reservations and favored

extensive public debate on the issue, as did many lawmakers in the opposition Democratic Party of Japan (DPJ). Public opinion polls are mixed, with some showing a majority of the Japanese people does not favor exercising the right of collective self-defense and others showing strong support. The domestic political climate seemed to suggest that a decision on collective self-defense – originally expected in time to inform a review of US-Japan defense guidelines scheduled to conclude at the end of 2014 – might be delayed, which would impact bilateral defense planning and potentially send a weak signal about Japan's willingness to assume a greater leadership role on security. Encouragingly, the Abe government approved new principles on the transfer of defense equipment (previously dubbed the three arms export principles) to strengthen security cooperation and defense industrial collaboration with other countries. But overall the domestic debate on defense policy appeared to assume a passive nature that rendered the timeline for decision making less certain.

Bilateral engagement

After Prime Minister Abe's visit to the Yasukuni Shrine in December 2013 brought history issues to the fore, bilateral diplomacy at the beginning of this year focused on the bilateral agenda and the strategic underpinnings of the alliance. Commentary on history issues by public figures deemed close to Abe (parliamentarian Eto Seiichi, who reportedly criticized a US statement on the shrine visit in an online video; Momii Katsuto, appointed by Abe to the board of public broadcaster NHK, who stated that the use of comfort women was widespread during World War II; and NHK board member Hyakuta Naoki, also appointed by Abe, who reportedly alleged that the Tokyo war crimes trial was designed to cover up US atrocities during World War II) made for an awkward start to the new year, but the two governments arranged several high-level meetings indicating a commitment to move forward and emphasize avenues for bilateral cooperation. National Security Adviser Yachi Shotaro visited Washington in January and met counterpart Susan Rice to facilitate policy coordination, Deputy Secretary of State William Burns and Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel visited Tokyo later that month to address a range of regional and global issues impacting the alliance, and Foreign Minister Kishida Fumio visited Secretary of State John Kerry in February to further the coordination process. Defense Secretary Chuck Hagel rounded out a period of robust diplomacy with a visit to Japan in April during which he reaffirmed US commitments to defend Japan and announced plans to forward deploy two additional *Aegis*-equipped ballistic missile defense (BMD) ships to Japan by 2017. This extensive engagement would set the stage for a bilateral summit aimed at reassuring Japan about the sustainability of the US rebalance to Asia and laying out a strategic framework for alliance cooperation across a range of diplomatic, economic, and security issues.

Other developments also served to reaffirm the vitality of the alliance, beginning with efforts to further trilateral coordination with the Republic of Korea. At first it appeared that historical sensitivities would continue to complicate Japan-ROK relations when in late February the Abe government announced it would review how the decision to issue the 1993 Kono Statement on comfort women was reached, fueling speculation that it might be revised. But Prime Minister Abe backtracked a few weeks later and stated his government had no such intention, which seemed to improve the atmosphere enough to facilitate diplomatic engagement. On March 25, President Obama hosted President Park Geun-hye and Prime Minister Abe for a trilateral summit

on the margins of the Nuclear Security Summit in The Hague focused mainly on North Korea and the importance of deterrence. In April, the Pentagon then hosted Defense Trilateral Talks and the State Department convened trilateral consultations on North Korea, both evidence of incremental progress in a relationship critical to the US rebalancing strategy based fundamentally on alliance relationships in the region.

The Nuclear Security Summit also presented an opportunity to highlight cooperation on nonproliferation as the two governments issued a joint statement announcing Japan's plans to remove hundreds of kilograms of highly enriched uranium and plutonium to the United States for disposition. Developments in Ukraine also figured prominently as Washington and Tokyo coordinated on G7 statements and their respective responses to Russian support for separatism in Crimea and eastern Ukraine. Japan, for its part, suspended talks on a bilateral investment pact with Russia, pledged \$1.5 billion in aid to Ukraine, and imposed visa bans on 23 Russian individuals in announcing expanded sanctions against Russia in line with similar decisions by the United States and the European Union.

An effort to reinvigorate the economic pillar of the US-Japan alliance took center stage with bilateral trade negotiations under the rubric of the TPP. Multiple rounds at the working level and between US Trade Representative Michael Froman and Minister for Economic and Fiscal Policy Amari Akira took place in both capitals to resolve differences on tariff reductions for sensitive agricultural products, market access issues for US automobiles, and other issues. President Obama's scheduled trip to Japan in late April served as an action enforcing mechanism, a unique opportunity to demonstrate joint leadership on trade liberalization that would set high standards for trans-Pacific economic integration. The question was if both leaders would be willing to spend the political capital necessary to overcome the politics of trade in their respective capitals.

State visit to Japan

President Obama made a state visit to Japan April 23-25. The trip was a rescheduling of the cancelled APEC/East Asia Summit itinerary from last fall, and the president used this visit to reassure Japan about the US commitment to the region and to outline areas of strategic cooperation between the two countries. Prime Minister Abe kicked off the visit by hosting the president for a casual sushi dinner at a famous eatery in the Ginza district, seemingly to develop a rapport after several brief meetings on the sidelines of international gatherings where time is often limited, though Japanese reports suggested the meeting was primarily spent on sectoral trade issues rather than larger strategic issues or rapport-building. The two leaders participated in a joint press conference after the summit and Obama endorsed the defense reform agenda of the Abe government, including consideration of the exercise of the right of collective self-defense and the establishment of a National Security Council and legal framework for information security to facilitate intelligence and policy coordination between the two governments. Abe expressed Japan's support of the US strategic rebalance to the Asia Pacific region, and the two leaders issued a joint statement reaffirming the importance of the alliance in that context. Trilateral dialogue with South Korea and coordination on Ukraine were cited in the statement as examples of cooperation on regional and global challenges, respectively, and both countries expressed a shared interest in building a constructive relationship with China but also addressed some of the uncertainties associated with China's rise. The statement stressed US-Japan

cooperation in maintaining maritime order in the East and South China Seas based on respect for international law, including the freedom of navigation and oversight; opposing any attempts to assert territorial or maritime claims through the use of intimidation, coercion, or force; and calling for confidence building measures to reduce tensions. The statement noted that US commitments under the US-Japan Security Treaty extend to all territories under Japan's administration, including the Senkaku Islands. Cooperation on the realignment of US forces in Japan and an ongoing review of bilateral guidelines for defense cooperation completed a comprehensive section on the security pillar of the alliance.

More broadly, the two countries reiterated a shared interest in deepening economic, diplomatic, and security ties with the Association of Southeast Asian Nations (ASEAN) and trilateral cooperation with like-minded partners including South Korea, Australia, and India. The joint statement also highlighted other important areas of alliance cooperation including energy – namely the importance of US LNG exports to support Japan's energy security strategy and joint cooperation on climate change – and a renewed commitment to advancing a common agenda on global development issues such as women's empowerment, human security, humanitarian assistance, disaster risk reduction, and global health.

Joint cooperation in multilateral fora to promote trade liberalization and economic growth also featured but was overshadowed by the failure of the two governments to conclude bilateral trade negotiations related to TPP. Reports on what was achieved vary on both sides of the Pacific: some suggesting substantial progress on the principle of market opening, but others revealing frustration at the lack of concrete progress. Japan's reluctance to eliminate tariffs in sensitive areas appeared to some US observers as a weakening commitment to high standards for trade liberalization that are a hallmark of the TPP. From a Japanese perspective, the Obama administration's reticence on the importance of trade, coupled with the absence of Trade Promotion Authority (TPA) from the Congress, may have raised questions about expending political capital on TPP without a sense of reciprocity from Washington. The joint statement indicated a "path forward" to resolve remaining differences and negotiations were expected to continue, though the timeline for an agreement remained uncertain.

The leaders also issued an annex to the joint statement on the importance of people-to-people exchange between the two countries, announcing a shared goal of doubling two-way student exchange by 2020. They also welcomed the recent uptick in congressional exchanges between the Congress and the Diet, an important channel of communication that has anchored the bilateral relationship in the past and was poised to develop with the establishment of a bipartisan US-Japan caucus in the Congress.

Next steps

The Abe government will try to shape the domestic debate on defense policy and offer more clues on economic reform when it announces new elements of the growth strategy in June. Meanwhile, President Obama will attempt to shape the US domestic policy debate ahead of the midterm elections in the fall. Bilaterally, trade negotiations will likely take place with the timeline for concluding TPP in the balance, and a review of bilateral defense guidelines will pick up amid uncertainty about the timing for Japan's decision on collective self-defense. Finally,

coordination on pressing challenges including North Korea, overdue for a provocation, and global challenges such as Ukraine could feature on the diplomatic agenda.

Chronology of US-Japan relations January – April 2014

Jan. 4, 2014: Defense Secretary Chuck Hagel calls Minister of Defense Onodera Itsunori to express appreciation for the government of Japan's efforts in securing approval of a landfill permit request to build the Futenma Replacement Facility at Camp Schwab-Henoko Bay.

Jan. 13, 2014: Abe Cabinet posts a 62 percent approval rating in a poll by the *Yomiuri Shimbun*.

Jan. 15, 2014: Parliamentary Senior Vice Minister for Foreign Affairs Kishi Nobuo meets Deputy Secretary of State William Burns in Washington to discuss the US-Japan alliance and issues in Northeast Asia.

Jan. 17, 2014: Yachi Shotaro, Japan's national security adviser, meets US National Security Adviser Susan Rice and other senior US officials in Washington.

Jan. 17, 2014: *Jiji Press* survey posts a 52 percent approval rating for the Abe Cabinet.

Jan. 19, 2014: Inamine Susumu wins reelection as mayor of Nago City in Okinawa and vows to oppose the relocation of Marine Corps Air Station Futenma to Henoko.

Jan. 19, 2014: Japanese media reports suggest Senior Adviser to Prime Minister Abe Eto Seiichi criticized the US reaction to Abe's December 2013 visit to Yasukuni Shrine in a *YouTube* video but the post is deleted, reportedly at the request of the Abe Cabinet.

January 24, 2014: Deputy Secretary Burns and Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel meet senior Japanese government officials in Tokyo to discuss bilateral, regional, and global issues.

Jan. 24, 2014: Government of Japan formally declares that Japan has ratified the Hague Convention on the Civil Aspects of International Child Abduction.

Jan. 25, 2014: NHK President Momii Katsuto states during a press conference that the use of "comfort women" was widespread during World War II.

Jan. 26, 2014: *Kyodo News* survey indicates that 53 percent of the Japanese public opposes a reinterpretation of the constitution to exercise the right of collective self-defense, with 37 percent in favor.

Jan. 30-31, 2014: US Special Representative for North Korea Policy Glyn Davies leads a US delegation to Tokyo to discuss North Korea policy.

Jan. 31, 2014: In an interview with *Kyodo News*, Senior Director for Asian Affairs at the National Security Council Evan Medeiros warns China not to establish another Air Defense Identification Zone (ADIZ) in Asia.

Feb. 2, 2014: Survey by *Nikkei Shimbun* shows that 84 percent of the Japanese public feels very or somewhat uneasy about the US-Japan alliance.

Feb. 3, 2014: NHK Board member Hyakuta Naoki alleges the Tokyo war crimes trial was designed to cover up US atrocities during World War II. State Department subsequently issues a statement calling Hyakuta's comments "preposterous."

Feb. 4, 2014: Japanese Diet passes a supplementary budget totaling ¥5.5 trillion, or 1.1 percent of GDP, to sustain growth.

Feb. 7, 2014: Foreign Minister Kishida Fumio and Secretary of State John Kerry meet at the State Department in Washington to discuss the US-Japan alliance.

Feb. 7, 2014: United States and Japan sign a bilateral agreement on Preventing and Combating Serious Crime (PCSC) to improve efforts to combat terrorism and transnational crime.

Feb. 11-13, 2014: US Ambassador to Japan Caroline Kennedy visits Okinawa.

Feb. 15, 2014: US Trade Representative (USTR) Michael Froman meets Minister of State for Economic and Fiscal Policy Amari Akira in Washington to discuss bilateral trade negotiations linked to the Trans-Pacific Partnership (TPP).

Feb. 17, 2014: Rep. Ed Royce (R-CA), chairman of the House Committee on Foreign Affairs, pays a courtesy call on Prime Minister Abe and participates in a meeting of the US-Japan Parliamentary League in Tokyo.

Feb. 19, 2014: Delegation representing the US Congressional Study Group on Japan meets Prime Minister Abe and other political leaders in Tokyo.

Feb. 20, 2014: During testimony in the Diet, Former Deputy Chief Cabinet Secretary Ishihara Nobuo says the 1993 Kono Statement on comfort women was based on witness accounts and that no direct evidence of the government and military's role in recruitment was found.

Feb. 20, 2014: Inaugural meeting of the US-Japan Development Dialogue is held in Washington.

Feb. 23, 2014: Forty-nine percent of the Japanese public supports the government exercising the right of collective self-defense according to a *Yomiuri Shimbun* survey.

Feb. 28, 2014: Chief Cabinet Secretary Suga Yoshihide announces that the Abe government will examine how the decision to issue the 1993 Kono Statement was made.

March 4, 2014: Assistant Secretary of State Russel and Deputy Assistant Secretary of Defense for East Asia David Helvey testify before the Senate Committee on Foreign Relations Subcommittee on Asia and the Pacific regarding US alliances in Northeast Asia.

March 7, 2014: Prime Minister Abe and President Obama agree during a telephone call to coordinate closely on developments in Ukraine.

March 11, 2014: Secretary of State Kerry issues a statement on the third anniversary of the Great East Japan Earthquake.

March 11, 2014: Japan and the US send a joint letter to the International Civil Aviation Organization (ICAO) asking for its opinion on China's ADIZ in the East China Sea.

March 11, 2014: Acting Deputy USTR Wendy Cutler hosts Ambassador Oe Hiroshi for two days of discussions in Washington on TPP market issues.

March 14, 2014: Prime Minister Abe tells the Diet his government has no intention of revising the Kono Statement.

March 14, 2014: Abe Cabinet's approval rating falls to 48 percent according to a *Jiji Press* poll. Seventy-five percent of respondents express doubt about the economic recovery.

March 17, 2014: *Yomiuri Shimbun* survey posts a 59 percent approval rating for the Abe Cabinet and finds that 42 percent of the Japanese public supports amending the constitution, with 41 percent opposed. On the right of collective self-defense, 43 percent of respondents said Japan should not exercise that right, 27 percent suggested the government should reinterpret Article IX of the constitution to do so, and 22 percent favored constitutional revision as a prerequisite.

March 18, 2014: Japan suspends bilateral talks on an investment pact with Russia to protest its recognition of Crimea as an independent state.

March 24, 2014: At the Nuclear Security Summit in The Hague, President Obama and Prime Minister Abe issue a joint statement announcing Japan's plans to remove hundreds of kilograms of highly enriched uranium and plutonium to the United States for disposition.

March 24, 2014: Secretary of State Kerry and Foreign Minister Kishida confer via telephone call on Russia's annexation of Crimea ahead of a G-7 meeting in The Hague.

March 24, 2014: Representatives Devin Nunes (R-CA) and Joaquin Castro (D-TX) inaugurate a bipartisan caucus to strengthen the relationship between the United States and Japan.

March 25, 2014: President Obama, Prime Minister Abe, and President Park Geun-hye of South Korea convene a trilateral summit on the margins of the Nuclear Security Summit in The Hague.

March 25, 2014: Prime Minister Abe pledges \$1.5 billion in Japanese aid to Ukraine.

March 26, 2014: Japan's Ministry of Defense launches a new cyber defense unit.

March 28, 2014: Abe government releases a list of regions and cities designated as "national strategic special zones" in support of a national growth strategy touting structural reform.

March 30, 2014: State Department issues a statement commemorating the 160th anniversary of the establishment of diplomatic relations between the United States and Japan.

March 31, 2014: *Mainichi Shimbun* survey shows 57 percent of the Japanese public opposes the government exercising the right of collective self-defense. Sixty-four percent reject efforts by the Abe government to reinterpret the constitution to exercise that right; 30 percent are in favor.

April 1, 2014: Japanese government increases the consumption tax from five to eight percent, the first of a two-stage increase mandated by legislation passed in 2012.

April 1, 2014: Abe Cabinet approves new principles on the transfer of defense equipment, previously dubbed the three arms export principles.

April 1, 2014: Hague Convention enters into force between the United States and Japan.

April 3, 2014: USTR Michael Froman testifies before the House Ways and Means Committee on the US trade policy agenda.

April 3-4, 2014: US Special Envoy for North Korean Human Rights Issues Robert King visits Tokyo for meetings with government officials and civil society groups.

April 5-6, 2014: US Defense Secretary Chuck Hagel meets Prime Minister Abe and Defense Minister Onodera in Tokyo to discuss bilateral and regional security issues. Hagel announces that the US plans to forward deploy two additional *Aegis*-equipped ballistic missile defense (BMD) ships to Japan by 2017.

April 7, 2014: Special Representative for North Korea Policy Glyn Davies hosts a consultation on North Korea with Director General for Asian and Oceanian Affairs Ihara Junichi and Special Representative for Korean Peninsula Peace and Security Affairs Hwang Joon-kook.

April 7, 2014: According to a poll published by *Asahi Shimbun*, 63 percent of the Japanese public wants the government to maintain the ban on collective self-defense. Ninety-five percent of respondents in China and 85 percent in South Korea expressed the same sentiment.

April 9-10, 2014: Minister of State for Economic and Fiscal Policy Amari hosts USTR Froman for bilateral trade negotiations in Tokyo.

April 10-11, 2014: Under Secretary of State for Arms Control and International Security Rose Gottemoeller visits Tokyo for consultations with Japanese officials on regional security issues.

April 10, 2014: Second US-Japan Cyber Dialogue convenes in Washington.

April 11, 2014: Abe government approves a new basic energy plan including support for the use of nuclear power.

April 14, 2014: Congressional delegation organized by the Aspen Institute visits Prime Minister Abe and other political leaders in Tokyo.

April 17, 2014: USTR Froman hosts Minister of State for Economic and Fiscal Policy Amari for another round of bilateral trade negotiations in Washington.

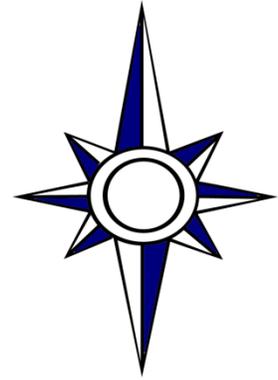
April 17-18, 2014: US Defense Department hosts US-Japan-ROK Defense Trilateral Talks in Washington.

April 21, 2014: According to a *Mainichi Shimbun* survey, 60 percent of the Japanese public considers the consumption tax increase burdensome, and 40 percent report curbing household spending since the increase took effect April 1.

April 21, 2014: Congressional delegation led by House Majority Leader Eric Cantor (R-VA) and House Budget Committee Chairman Paul Ryan (R-WI) meets Prime Minister Abe and other political leaders in Tokyo.

April 23-25, 2014: President Obama makes a state visit to Japan. The two governments issue a joint statement and fact sheet outlining priorities for bilateral cooperation on regional and global issues.

April 29, 2014: Japan imposes visa bans on 23 Russian individuals in announcing expanded sanctions against Russia in line with similar decisions by the US and the European Union.



**US-China Relations:
China's Maritime Disputes Top the Agenda**

**Bonnie Glaser, CSIS/Pacific Forum CSIS
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The complexity of the US-China relationship was in sharp relief in the first four months of 2014. Differences over maritime disputes along China's eastern periphery were at the top of the agenda. Russia's seizure of Crimea introduced a new point of contention. Despite much diplomatic activity, little progress was made on a way forward in seeking denuclearization of North Korea. US Defense Secretary Chuck Hagel made a fruitful visit to China that included very sharp exchanges with his Chinese counterparts and a tour of China's aircraft carrier. Michele Obama along with her children and mother toured China promoting education and people-to-people exchanges. The full range of issues in the bilateral relationship was discussed by Presidents Obama and Xi Jinping when they met on the margins of the Nuclear Security Summit in The Hague.

US hardens position on maritime disputes

Beginning in late January, the Obama administration adopted a tougher stance on territorial disputes in the region, explicitly criticizing Chinese policy and behavior, and warning Beijing against further destabilizing moves. The harsher attitude was first signaled by National Security Council Senior Director for East Asia Evan Medeiros in an interview with Japan's *Kyodo News*. Medeiros warned China to refrain from establishing an air defense identification zone (ADIZ) in the South China Sea. "We have been very clear with the Chinese that we would see that as a provocative and destabilizing development that would result in changes in our presence and military posture in the region," he said.

A week later, in testimony before the House Committee on Foreign Affairs Subcommittee on Asia and the Pacific, Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel expressed "deep concern" about tensions arising from maritime and territorial disputes in the Asia-Pacific region. Calling into question the legality of China's nine-dash line claim in the South China Sea, Russel stressed that under international law, maritime claims must be derived from land features. "Any use of the 'nine dash line' by China to claim maritime rights not based on claimed land features would be inconsistent with international law," he added. Charging that the ambiguity of China's nine-dash line has "created uncertainty, insecurity and instability in the region," he stated that "the international community would welcome China to clarify or adjust its nine-dash line claim to bring it in accordance with the international law of the sea."

Several Chinese actions apparently heightened US concerns and increased pressure from partners in the region for Washington to take a firmer line. For example, the People's Liberation Army (PLA) Navy conducted its second exercise in less than a year around James Shoal, a submerged

reef about 50 miles off Malaysia's state of Sarawak and 1,100 miles from mainland China. Chinese TV aired video of hundreds of Chinese sailors on the deck of a warship taking an oath to defend the nation's territorial integrity and sovereignty, including James Shoal, which Beijing considers to be the southernmost point of Chinese territory. The exercise was mentioned by Evan Medeiros in remarks made at the Center for American Progress in mid-February.

Activity around Second Thomas Shoal, a submerged reef in the Philippine Exclusive Economic Zone, also caused concern. Chinese ships repeatedly attempted to prevent Manila from resupplying the eight marines who have manned a rusted warship on the shoal for the past 15 years. On several occasions, the Philippines resorted to airdropping food and water to the marines. In one instance a US surveillance plane flew overhead as Philippine vessels tried to outmaneuver Chinese Coast Guard ships to deliver supplies and fresh troops to the outpost.

At the end of April when President Obama visited four countries in East Asia, he reiterated US insistence on the peaceful management of territorial disputes through dialogue at several stops. In Tokyo at a joint press conference with Prime Minister Abe Shinzo, Obama underscored US and Japanese commitment to fundamental principles such as freedom of navigation and respect for international law. To Beijing's consternation, the president also reaffirmed publicly that Article 5 of the US-Japan Mutual Security Treaty covers all territories under Japan's administration, including the Senkaku Islands, known to the Chinese as the Diaoyu Islands. A joint statement issued by President Obama and Malaysian Prime Minister Najib noted "the importance of safeguarding maritime security and ensuring freedom of navigation throughout the region, including critical waterways in the South China Sea." The statement also cited the need to resolve disputes peacefully and in accordance with international law, including the United Nations Convention on the Law of the Sea. Moreover, the two leaders "highlighted the importance of parties concerned avoiding the use of force, intimidation, or coercion, and exercising self-restraint in the conduct of activities."

In his joint press conference with Philippine President Benigno Aquino, Obama stressed the need to respect international rules and norms, and voiced opposition to coercion and intimidation. He also expressed support for Manila's decision to seek international arbitration as a way to resolve its territorial disputes. China was not singled out by name, but there was no doubt that these statements were made with China in mind.

Beijing was likely uneasy about President Obama's visit to the region which, prior to his departure, some experts inside and outside China dubbed the containment tour. During the visit, China voiced concern on two occasions about US military involvement in the region. In response to questions from the media, China's Foreign Ministry spokesman criticized Obama's statement that the US-Japan alliance covered the disputed islands in the East China Sea. "The so-called US-Japan alliance is a bilateral arrangement from the Cold War and ought not to harm China's territorial sovereignty and reasonable rights," the spokesman maintained. Asked if the US-Philippines Enhanced Defense Cooperation Agreement is aimed at containing China, the spokesman said "it depends on what the US says and does." Although President Obama did not include China on his itinerary, the spokesman asserted that "China is right here, whether he comes or not."

Sharper criticism of Obama's Asia tour was evident in the Chinese media. An editorial in the state-run *China Daily* maintained that the US is "taking Beijing as an opponent." "With Obama reassuring the US allies of protection in any conflict with China, it is now clear that Washington is no longer bothering to conceal its attempt to contain China's influence in the region," the editorial said. "Ganging up with its troublemaking allies, the US is presenting itself as a security threat to China," it added.

Obama-Xi bilateral at The Hague

Presidents Obama and Xi Jinping met on the margins of the Nuclear Security Summit in The Hague for approximately 90 minutes. Their discussions were wide-ranging, touching on Russia's annexation of Crimea, North Korea, Iran, climate change, economic issues, cybersecurity, bilateral military ties, counterterrorism, human rights, Taiwan, and Tibet. Both leaders characterized the US-China bilateral relationship in positive terms. Xi pledged to "adopt a more positive attitude and more vigorous actions to strengthen cooperation with the United States" and also to effectively manage differences and sensitivities. Obama noted that the bilateral relationship was "as important as any bilateral relationship in the world," adding that the two nations had "made great strides."

In a remarkable departure from usual protocol, during the press spray prior to the meeting President Xi referred to a recent letter sent to him by President Obama. The letter, Xi said, noted that the US president was committed to building the new model of major country relations with China and that the US and China could address common challenges through practical cooperation. Although no comment was made publicly on this breach of convention, US officials were undoubtedly rankled.

China's Foreign Ministry spokesman described the meeting as "in-depth, frank, sincere, and constructive," and listed 10 areas on which the two leaders had achieved "common understanding." Notable among these was agreement to launch an annual ministerial-level dialogue mechanism between China's Ministry of Public Security and the US Department of Homeland Security. Progress was also reported on a number of issues, including trade and investment cooperation and military-to-military relations. *Xinhua* reported that Obama and Xi said that they "were ready to continue to work for the establishment of a new type of great-power relationship between China and the United States."

Taiwan was almost certainly mentioned only in passing, but was nonetheless highlighted by the Chinese Ministry of Foreign Affairs. In what was unquestionably a deliberate distortion of President Obama's remarks, a report posted on the MFA website maintained that Obama had told Xi, "on the Taiwan issue and Tibet-related issues, the US side respects China's sovereignty and territorial integrity. This stance remains unchanged." This was a blatant attempt to conflate US positions on Taiwan and Tibet, which are in fact quite different: the US accepts Chinese sovereignty over Tibet, but does not recognize Chinese sovereignty over Taiwan.

The Obama administration apparently considered it necessary to correct the record. Evan Medeiros made an unscheduled appearance at conference at the Brookings Institution a few days later and described the Xi-Obama exchange on Taiwan as "just what you'd expect: China stated

its position, the United States stated its position.” Then he said that China’s Foreign Ministry “willfully mischaracterized the United States’ position on Taiwan, as if our position on Taiwan had somehow changed.” Medeiros stated that such kinds of actions are unwelcomed, and foster mistrust between the United States and China. He chided Beijing for seeking to make the people of Taiwan insecure about US policy and urged China to focus on winning the hearts and minds of the Taiwan people.

Russia’s seizure of Crimea – a new irritant in US-China relations?

Russia’s seizure of Crimea posed a foreign policy dilemma for Beijing and added new strains in the US-China relationship. Despite its longstanding support for the principles of sovereignty and territorial integrity, Beijing refrained from criticizing Russia’s military intervention. At the UN Security Council, however, China did not block the attempt to isolate and condemn Russia’s actions. Instead, China abstained from a carefully worded resolution that declared the planned referendum on secession in Crimea illegal, resulting in Moscow casting the sole vote against it.

Remarks by Chinese Ambassador to the UN Liu Jieyi revealed a deliberate effort to adopt an even-handed stance. Liu stated that while China has always respected the sovereignty and territorial integrity of all states, it had “noticed foreign interference is also an important reason leading to violent clashes on the streets of Ukraine. In casting its vote, Beijing undoubtedly had in mind its domestic concerns about a potential vote on independence for Tibet or Taiwan. China also has a strong interest in preserving its relationship with Russia, which has been increasingly seen as a strategic partner.

In an effort to win greater support from China for its position, President Obama phoned Xi Jinping on March 10. According to the White House report on the phone call, “the two leaders agreed on the importance of upholding principles of sovereignty and territorial integrity,” implying that China and the US were in agreement. The Chinese press, meanwhile, contained no mention of these principles, instead emphasizing that Xi had urged all parties to exercise restraint in the crisis and noted Beijing’s “objective and fair stance” and the “complexity” of the situation. These differing accounts of the conversation underscored the divergence in Chinese and US positions and approaches to handling the crisis.

According to Deputy National Security Adviser Ben Rhodes, the US continued to privately press China on the issue of Ukraine. In their meeting on the sidelines of the Nuclear Security Summit, President Obama raised the issue and noted China’s long-standing policy of nonintervention. According to Rhodes, Obama conveyed that China “has always held sovereignty and territorial integrity as a core of its foreign policy and national security approach and that that principle needs to be applied to Ukraine.” Obama did not make headway, however, in persuading China to join the ranks of the US and other nations that want to punish Moscow for its act of aggression.

In an April 6 interview with the Japanese newspaper *Asahi Shimbun*, Evan Medeiros publicly called into question China’s intentions in Ukraine. Medeiros echoed Obama’s frustrations, stating, “China regularly, publicly, says that territorial integrity and sovereignty are of the utmost importance, but yet, in the face of a violation of them by Russia through its actions in Ukraine, China has remained agnostic, and has provided essentially de facto support to Russia.” Medeiros

went on to question whether China's backing for the principles of territorial integrity and sovereignty are situational. Does China "feel that there are some conditions that are actually attached to its support for territorial integrity and sovereignty?" he asked.

China's state news agency *Xinhua* sided squarely with Russia: "Based on the fact that Russia and Ukraine have deep cultural, historical and economic connections, it is time for Western powers to abandon their Cold War thinking. Stop trying to exclude Russia from the political crisis they failed to mediate, and respect Russia's unique role in mapping out the future of Ukraine," read one opinion piece.

Fears abound that the fallout of Russia's takeover of Crimea could include a closer Sino-Russian alliance and distract the US from the rebalance to Asia. Whether Xi Jinping will tilt toward Moscow or the crisis Ukraine will truly draw the US focus away from Asia remain to be seen, but it appears that China's fence-sitting has cost it some of its credibility in Washington.

North Korea: lots of meetings, little progress

North Korea was a prominent topic of discussion on the US-China agenda in the first four months of 2014. In meeting after meeting, Beijing attempted to persuade the US to lower the bar for the resumption of the Six-Party Talks, while Washington sought to encourage China to put greater pressure on North Korea to take meaningful steps to denuclearize in accordance with existing agreements. At the interim round of the Strategic Security Dialogue Jan. 21-23, Deputy Secretary of State William Burns stressed the importance of close US-China cooperation to secure actions from North Korea to live up to its international obligations and implement irreversible denuclearization as agreed upon in the September 2005 joint statement.

Later that month, Special Representative for North Korea Policy Glyn Davies visited Beijing for consultations with Chinese Foreign Ministry officials. Following those discussions, he told the press that "the bulk of the time I spent in meetings with Chinese officials was about how best to move the process forward, get back to Six Party, convince North Korea, if necessary through further pressure, that it needs to begin taking steps now and get back . . . into that process of denuclearization." In addition, they discussed developments inside North Korea, including the significance of the execution of Jang Song Thaek, China's go-to guy in Pyongyang.

When Secretary of State John Kerry traveled to the region in mid-February, North Korea was the main focus of his discussions in both Seoul and Beijing. After his meeting with South Korean Foreign Minister Yun Byung-se, Kerry told the press: "China has a unique and critical role that it can play due to its economic, its geographic, its political, and its historical, cultural ties with North Korea. No country has a greater potential to influence North Korea's behavior than China, given their extensive trading relationship with the North."

The following day in Beijing, he noted that China had vigorously reiterated its commitment to achieve a denuclearized North Korea and had expressed its concerns about the risks of not achieving that goal. Moreover, Kerry said that he encouraged the Chinese "to use every tool at their disposal, all of the means of persuasion that they have, building on the depths of their long and historic and cultural and common history that has brought them together." He added that

both sides had put some ideas on the table regarding how to make headway, and that he would report back to President Obama. “We will continue this dialogue in the days ahead in a serious way with a great sense of the urgency of time and purpose,” Kerry told the press.

Foreign Minister Wang Yi reportedly maintained that China’s “top priority is to seize the opportunity to resume dialogue as soon as possible. He urged all parties (in other words, the US) to “have the overall situation in mind; speak and act prudently; show flexibility; do more things beneficial to the relaxation of the situation; and take practical measures to create favorable conditions for pushing the resumption of the Six-Party Talks.” The statement suggested that little progress was made in narrowing US-China differences on how to advance toward their common goal of denuclearization of North Korea.

In early March, in his press conference after the National People’s Congress (NPC), Wang Yi underscored China’s abiding interest in preserving stability in North Korea and for the first time ever referred to a policy red line: “The Korean Peninsula is right on China’s doorstep,” Wang stated. “We have a red line, that is, we will not allow war or instability on the Korean Peninsula.” The terms for resuming negotiations with North Korea was discussed again when President Obama met with Xi Jinping on the margins of the Nuclear Security Summit. In a press briefing on the meeting, Deputy National Security Advisor Rhodes said that Obama called for close coordination to send a clear message to North Korea. “We’ve had good cooperation with China in applying some pressure on North Korea,” he added, “but we as an international community need to continue to insist that North Korea abide by its obligations.” China’s MFA spokesman said that Xi and Obama had “in-depth communication about promoting an early resumption of the Six-Party Talks and agreed to jointly create positive conditions toward that end.”

In early April, Assistant Secretary of State Russel publicly highlighted the tension in China’s policy goals of maintaining stability on its border and achieving denuclearization in North Korea in an effort to step up pressure on Beijing. Speaking in a phone interview arranged by the Asia Society, Russel said that China has “a strong bias in favor of coaxing tactics that haven’t yielded results and don’t seem likely to work. We think they can still do more to push North Korea to choose the right path.”

A few days later it was Defense Secretary Chuck Hagel’s turn to encourage the Chinese to do more to address the growing threat posed by North Korea to regional stability and to the US homeland. In a speech delivered at China’s National Defense University, Hagel said that the US looks to China “to play a constructive role” in meeting the North Korea challenge. “Continuing to support a regime that engages in these provocative and dangerous actions – and oppresses its own people – will only hurt China’s international standing in this region,” he warned.

Back in Washington, China’s ambassador revealed Beijing’s frustrations in trying to work with the US on North Korea. In remarks at the United States Institute of Peace, Cui Tiankai complained that “We are often told that China has such an influence over the DPRK and we should force the DPRK to do this or that otherwise the US would have to do something that would hurt China’s security interests. You are giving us a mission impossible,” Cui said. “I don’t think this is very fair. I don’t think this is a constructive way to work with each other.”

Despite hopes for some progress when Wu Dawei visited New York and Washington DC in mid-April, no headway was made. US diplomatic sources even suggested that there was backsliding in China's positions, which contrasted sharply with the claim the foreign ministry spokesman that the visit demonstrated that "both sides are expanding consensus and narrowing differences." Two factors are likely hampering US-Chinese cooperation on North Korea: 1) Beijing's uncertainty about developments inside North Korea and in its bilateral ties with Pyongyang; and 2) increased Chinese concerns about the US rebalance to Asia and US intentions toward China.

During President Obama's Asia tour in late April, he publicly emphasized the need for China to use its influence with Pyongyang. Speaking at a joint press conference in Seoul with President Park Geun-hye, Obama stated: "China is beginning to recognize that North Korea is not just a nuisance; this is a significant problem to their own security. And we have encouraged them to exert greater influence over North Korea because China has the most significant effect on North Korean calculations."

Amid reports of increased activity in and around the Punggye-ri test site in northeastern North Korea, China's Foreign Ministry issued a veiled warning to Pyongyang to not conduct another nuclear test. "We are opposed to all actions that may lead to an escalation of tensions on the Korean Peninsula," spokesman Qin Gang told reporters. "We should cool down the situation, rather than flaring up tensions," he said.

Hagel tours aircraft carrier and spars with counterparts in Beijing

In early April, Secretary Hagel made his first visit to China as secretary of defense. His first stop was Qingdao, where the PLA permitted him to tour China's first aircraft carrier, the *Liaoning* – the first foreigner to be granted that privilege. The ship's commanding officer, Capt. Zhang Zheng, provided a briefing about the ship's capabilities and operating schedule. Afterward, Hagel and the new US Ambassador to China Max Baucus, were shown the medical facilities, living quarters, flight control station, pilot house, the bridge, the flight deck, and the officers' dining area. A US defense official traveling with Hagel hailed the visit as a welcome step in China's attempts to be more transparent and open.

In Beijing, Secretary Hagel met his host, Defense Minister Chang Wanquan, Vice Chairman of the Central Military Commission (CMC) Fan Changlong, State Councilor Yang Jiechi, and President Xi Jinping. He had lunch with cadets at the Non-Commissioned Officers (NCO) Academy and delivered a speech at the National Defense University. In his meeting with Xi, which *Xinhua* noted was in Xi's capacity as chairman of the Central Military Commission as well as state president, the main topics the discussion was on the bilateral military relationship and the Korean Peninsula. Xi said that the two nations should develop a new model of military-to-military relations and adhere to the principles of no conflict and no confrontation, mutual respect, and win-win cooperation. He also stressed the need to effectively manage and control differences and sensitive issues. Hagel expounded on his view of the new model of military-to-military relations in his speech at NDU, saying that the two militaries should proceed on three tracks: 1) maintaining sustained and substantive dialogue; 2) forging concrete, practical cooperation where US and Chinese interests converge; and 3) working to manage competition and differences through openness and communication.

In his meeting with Secretary Hagel, Gen. Fan Changlong took the opportunity to criticize at length the remarks that the secretary had made about China's Air Defense Identification Zone and Chinese actions in the South and East China Seas during his stop in Hawaii, where he met with the ASEAN defense ministers, and in Tokyo. Such criticism is probably not unusual, but that such comments were made with the press present and later reported by *Xinhua* is atypical. *Xinhua* reported Fan as saying that he and the Chinese people were "dissatisfied" with Hagel's comments calling on the US to "do more things that are conducive to regional stability and to the friendly development between the two countries and the two armies."

When Secretary Hagel and Gen. Chang met jointly with the press, diverging US and Chinese perspectives on numerous issues were on full display. Chang lambasted Japan's Prime Minister Abe for causing "severe difficulty" in China-Japan relations and criticized the Philippines for illegally occupying islands and reefs in the South China Sea that belong to China while "disguising itself as a victim." Hagel insisted that maritime disputes be resolved "diplomatically, peacefully, through international law." He noted that Japan and the Philippines are long-time allies of the US and that the US remains "fully committed" to its treaty obligations to both nations. In response to a question about House Resolution 494 affirming the Taiwan Relations Act, including the sale of sophisticated defensive weapons to Taiwan, Chang expressed strong objection and urged the Obama administration to take concrete measures to prevent congressional approval so as not to undermine US-China relations.

The visit nevertheless produced agreements that will help expand the US-China military-to-military relationship. These included 1) an agreement to continue discussions on the two initiatives first proposed by Xi Jinping in his meeting with President Obama at Sunnylands: the establishment of a military notification mechanism of major military activities, and setting standards of behavior to ensure safety on the high seas; 2) an agreement to convene an Asia-Pacific security dialogue; and 3) an agreement to conduct a land-based joint medical cooperative exercise after the Rim of the Pacific exercise later this year.

Commenting on Hagel's visit to the *China News Agency*, Director of the China-US Defense Relations Study Center of the Academy of Military Sciences Maj. Gen. Yao Yunzhu said: "the weight of the relations between the two militaries in the overall relations between China and the United States has become increasingly great, and the military relations have become one of the brightest spots of the bilateral relations between the two countries and an important assurance for maintaining world peace and calm."

In mid-February, US Army Chief of Staff Gen. Raymond Odierno also visited China, where he met senior Chinese PLA officers in Beijing and toured the headquarters of the Shenyang military region. Odierno's visit yielded an agreement to set up a regular high-level dialogue between the US and Chinese armies. The dialogue will include humanitarian assistance, disaster relief, peacekeeping, and various military exchanges.

Two dialogues: SSD and APC

The fifth round of the US-China Asia-Pacific Consultations (APC) was held in Beijing on Jan. 22. It was the first meeting of the APC since the beginning of President Obama's second term,

and was led by Assistant Secretary of State Russel and Assistant Foreign Minister Zheng Zeguang. A broad range of topics was addressed, but the bulk of the discussion focused on maritime security issues and North Korea. The two sides also sought to expand practical US-China cooperation to promote a positive sum relationship in the Asia-Pacific, balance ongoing bilateral friction, and reassure other regional states that despite their differences, the US and China can work together to promote peace, development and prosperity in Asia.

A joint fact sheet issued after the meeting listed several areas where the two countries are engaged in cooperation and a few projects that both sides agree to implement in the future. These include a possible joint project in Myanmar, a planned health project to support stability and capacity-building in Afghanistan, expansion of the US-China food security project in Timor-Leste, and continued cooperation between China's Fisheries Law Enforcement Command and the US Coast Guard. Additional projects call for enhanced multilateral cooperation with regional nations through the conduct of humanitarian assistance and disaster relief exercises, preventive diplomacy training, and environmental activities. The apparently thin agenda of bilateral projects is likely a function of increasing bilateral tensions and suspicions, in addition to the challenge of coordinating two complex and often mismatched bureaucracies.

The following day, Deputy Secretary of State Burns and Vice Foreign Minister Zhang Yesui, along with senior US and Chinese defense officials, co-hosted an intercessional round of the US-China Strategic Security Dialogue which brings together military officers and civilian officials to discuss bilateral, regional, and global security issues. This marked the first time that the SSD was held separate from the annual bilateral Strategic and Economic Dialogue. Public reporting on the meeting was sparse, but privately officials acknowledged that sensitive subjects such as cyber, space, and nuclear policies were on the agenda in addition to North Korea, Iran, and maritime security in the South and East China Seas. A brief statement released by the Chinese Foreign Ministry said that both sides exchanged views "in a candid, pragmatic and constructive atmosphere" and noted that there was agreement to continue to bring the dialogue mechanism "to full development to make it play a positive role in enhancing bilateral mutual trust."

Michelle Obama visits China

In March First Lady Michelle Obama took a weeklong trip to China with her two daughters, Sasha and Malia, and her mother, Marian Robinson. The trip, which took them to Beijing, Xi'an and Chengdu, was billed as a chance to promote some of Mrs. Obama's favorite causes – education, cultural exchanges, and people-to-people ties – but the first lady managed to work in some far more sensitive bilateral issues as well. The White House ran a blog on the trip, which included videos, pictures, and a daily travel journal entry written by Mrs. Obama herself.

The Chinese attached considerable importance to the first lady's visit, evidenced by the reception she received from President Xi soon after her arrival. For Beijing, the visit provided an opportunity to promote Sino-US relations and to exercise China's soft-power diplomacy.

In a speech at Peking University's Stanford Center, Mrs. Obama highlighted the right to personal freedoms, saying that the US championed "the right to say what we think and worship as we choose." The speech was notably not broadcast on Chinese state-run television, but it did make

its way in full onto *Sina Weibo*, a *Twitter*-like service in China used by millions. The Chinese government did not remove the speech, despite her implied message that the Chinese government fails to sufficiently respect personal freedoms. The first lady was more directly critical of China in her discussion of the speech on the White House blog, stating “The government in China puts restrictions on both the internet and the news media ... in America, we believe that we’re strongest when everyone’s voices can be heard and people can question and criticize their government freely and openly.”

The following day, the first lady caused some controversy when she lunched at a Tibetan restaurant in Chengdu. The Chinese blogosphere lit up in anger, claiming that the lunch carried strong political overtones of US support for greater freedoms in Tibet. Mrs. Obama’s press team readily admitted their pointed choice of the restaurant, which took place a month after President Obama’s meeting with Tibet’s exiled spiritual leader, the Dalai Lama, at the White House.

Human rights is on the agenda

The trial of Chinese legal scholar and rights advocate Xu Zhiyong began on Jan. 22, and reached a predictable and quick verdict. Gary Locke, who was close to wrapping up his tour as US ambassador to China, cited “deep concern” that the trial served as retribution for Xu’s “public campaigns to expose official corruption.” A few days later, following the announcement of Xu’s conviction, the US Department of State piled on to Locke’s criticism, issuing an official statement condemning China’s treatment of Xu, and calling for his release and the release of all other political prisoners in China. The state-run Chinese media conglomerate, the *Global Times*, predictably accused the West of amplifying the political significance of Xu’s conviction, insisting that the verdict was based on his “acts, not what he advocated.”

President Obama and the Dalai Lama met for the third time on Feb. 21 at the White House. Obama reiterated his support for the preservation of “Tibet’s unique religious, cultural, and linguistic traditions and the protection of human rights for Tibetans,” in China. The Chinese unsurprisingly objected, charging that Obama allowed the Dalai Lama to use the White House as a podium for promoting anti-Chinese activities. The meeting does not appear to have negatively affected cooperation on other issues in the bilateral relationship. There are rumors, however, that Beijing may cancel the annual US-China human rights dialogue in retaliation.

The annual report on human rights around the world, issued by the US State Department on Feb. 27, denounced Chinese conduct over the last year, including censorship of the internet, treatment of ethnic minorities (especially in Tibet and Xinjiang), and the Chinese crackdown on government critics in 2013. In what has become an annual routine, China retaliated the following day with its own report on perceived US human rights abuses, including charges that the US spies on its own citizens to a “massive and unrestrained” degree, and has conducted drone strikes in Pakistan and Yemen that have caused heavy civilian casualties.

As he has done in prior bilateral meetings with China’s president, Obama raised the issues of human rights and the rule of law when he met with Xi Jinping on the sidelines of the Nuclear Security Summit. According to Deputy National Security Adviser Rhodes, Obama expressed “concern over the recent lack of visas to US media outlets like *The New York Times*, *Bloomberg*,

and *Voice of America*.” Xi complained about US spying on Huawei, now the largest telecommunications equipment maker in the world and one of China’s most successful multinational companies.

National People’s Congress

The second annual session of China’s 12th National People’s Congress (NPC) came to a close on March 13, just as the Chinese People’s Political Consultative Congress (CPPCC) wrapped up its corresponding session. This year’s annual “two meetings” held great importance for the still-new Xi Jinping administration, as it embarked on the first stages of implementation of a broad set of new policies. Great emphasis was placed on reform throughout the week-long session, and the Xi administration promised sweeping economic and social improvements that it plans to carry out in the coming months and years.

On the economic front, the NPC fleshed out and prioritized some of the key reform tasks that were set at last November’s Third Plenum. Economic growth remains a priority for China, but the NPC set a more modest target of 7.5 percent, indicating that the quality of economic growth is increasingly important to the Chinese Communist Party.

The NPC also set out to reform the Chinese banking system and create greater levels of transparency in government budgeting. China will begin to combat corruption in State-owned Enterprises (SOEs), which are a target for reform in 2014. SOEs will now allow for some private capital to enter sectors that were previously restricted. The Xi administration is not seeking to reduce the role of SOEs in the economy, however. To the contrary, in remarks to the NPC Shanghai Delegation, Xi explained that, “deepening the reform of SOEs is a major task; not only should SOEs not be weakened, they must be strengthened.” The state will retain management control of the SOEs, and attempt to improve their efficiency. This likely means better managed, but increasingly competitive Chinese SOEs.

In addition to fiscal and economic reforms, the NPC also laid out plans to tackle social issues such as income distribution, health policies and public concerns regarding pollution and terrorism. If the Xi administration is successful in the reforms and policies laid out at this year’s “two sessions,” it will serve to reduce levels of corruption, create a more efficient economy and, ensure a more smoothly run government, all of which would bolster the legitimacy of Xi himself as well as of the Chinese Communist Party.

What’s next?

As Presidents Obama and Xi indicated when they met at The Hague, the two leaders remain committed to building a new type of major power relationship. At present, this does not exist; it is aspirational. Much work needs to be done to promote cooperation between the two countries. Opportunities to advance the bilateral relationship will be available at the upcoming meeting of the Strategic and Economic Dialogue this summer and when President Obama visits China in November to attend the APEC Leaders meeting.

Chronology of US-China Relations*

January – April 2014

Jan. 9, 2014: US Department of State spokesperson says the passing of restrictions by China's Hainan province on other countries' fishing activities in disputed portions of the East Sea is a "provocative and potentially dangerous act."

Jan. 10, 2014: China's annual trade in goods tops \$4 trillion, surpassing the US as the world's top trader.

Jan. 15, 2014: China's Ministry of National Defense confirms a report on Jan. 9 about China's flight-testing a hypersonic missile vehicle capable of traveling up to Mach 10 and says that the test is scientific in nature and not targeted at any country.

Jan. 21-23, 2014: Deputy Secretary of State Williams Burns visits China to participate in an interim round of the US-China Strategic Security Dialogue.

Jan. 22, 2014: Daniel Russel, US assistant secretary of state for East Asia and Pacific Affairs, accompanies Deputy Secretary Burns to China and co-chairs the fifth US-China Consultations on Asia Pacific with China's Assistant Foreign Minister Zheng Zeguang.

Jan. 22, 2014: Foreign Minister Wang Yi meets Secretary of State John Kerry in Montreux, Switzerland. They exchange views on US-China relations, the Iranian nuclear issue, and Syria.

Jan. 22, 2014: At the close of the fifth US-China Asia-Pacific Consultations in Beijing, the US and China release a fact sheet on ongoing and planned practical cooperation in disaster relief, Burma, Afghanistan, food security, health, preventive diplomacy and marine conservation.

Jan. 23, 2014: US Commerce Department opens an investigation into whether China and Taiwan are dumping a certain class of solar cells into the US market at below fair market value.

Jan. 25, 2014: Department of State releases statement expressing deep disappointment after a Chinese court convicts legal scholar and rights advocate Xu Zhiyong, sentencing him to four years in prison.

Jan. 27-28, 2014: US Special Representative for North Korea Policy Glyn Davies visits China. He meets Executive Vice Foreign Minister Zhang Yesui and Special Representative of the Chinese Government on Korean Peninsular Affairs Wu Dawei.

Jan. 30, 2014: US-China Security and Economic Review Commission holds hearings on China's military modernization and its implications for the United States.

* Chronology and research assistance by CSIS intern Yun Liu

Jan. 30, 2014: Evan Medeiros, senior director for Asian affairs at the National Security Council, gives an interview to *Kyodo News* and sets out a tougher US position against a potential Chinese ADIZ in the South China Sea.

Jan. 31, 2014: Department of State spokeswoman denounces any Chinese plan to announce an ADIZ in the South China Sea as “a provocative and unilateral act that would raise tensions.”

Feb. 4, 2014: US Senate Foreign Relations Committee approves the nomination of Sen. Max Baucus to be the next ambassador to China.

Feb. 5, 2014: In his testimony before the House Foreign Affairs subcommittee, Assistant Secretary Russel criticizes China.

Feb. 14, 2014: President Xi Jinping meets Secretary of State Kerry in Beijing. Kerry also meets Premier Li Keqiang, State Councilor Yang Jiechi, and Foreign Minister Wang Yi.

Feb. 14, 2014: US International Trade Commission (ITC) approves anti-dumping and countervailing investigations on crystalline silicon photovoltaic products from China, paving the way for the Department of Commerce to set preliminary duties in the months ahead.

Feb. 15, 2014: US and Chinese governments issue a joint statement pledging to work together to attenuate the effects of global climate change.

Feb. 21, 2014: President Barack Obama meets with Tibetan spiritual leader the Dalai Lama at the White House, ignoring Chinese urgings to cancel the meeting.

Feb. 21, 2014: Secretary of State Kerry designates Under Secretary for Civilian Security, Democracy, and Human Rights Sarah Sewall as Special Coordinator for Tibetan Issues.

Feb. 21, 2014: US Army Chief of Staff Gen. Raymond Odierno meets top Chinese generals in Beijing as part of efforts to build trust between the two nations’ militaries.

Feb. 21, 2014: US Department of Commerce announces that it has approved anti-dumping duty and countervailing duty investigations against imports of carbon and certain alloy steel wire rod from China.

Feb. 24, 2014: China’s Foreign Ministry says China will never recognize the US appointment of a special coordinator for Tibetan issues and opposes foreign intervention in its internal affairs.

Feb. 26, 2014: Department of State spokeswoman expresses deep concern that Chinese authorities have decided to formally arrest economics professor Ilham Tohti and calls on China to release him.

Feb. 27, 2014: Department of State releases the 2013 Country Reports on Human Rights Practices and highlights setbacks in human rights conditions in China.

Feb. 28, 2014: China's State Council Information Office publishes its annual report on the United States' human rights record.

March 4-8, 2014: Twelfth round of China-US Investment Treaty Negotiations is held in Washington.

March 5, 2014: China announces that its 2014 military budget will be raised by 12.2 percent to \$132 billion. Department of State spokeswoman says that the US will continue to carefully monitor China's military developments and encourage China to exhibit greater transparency with respect to its capabilities and intentions.

March 6, 2014: US National Security Adviser Susan Rice speaks by phone to Chinese State Councilor Yang Jiechi about the Ukraine situation, and the White House releases a statement that China agrees with the US that the sovereignty and territorial integrity of Ukraine must be respected in its dispute with Russia.

March 9, 2014: President Obama speaks by phone to President Xi regarding the situation in Ukraine.

March 18, 2014: In his first press conference since arriving in Beijing, new US Ambassador to China Max Baucus vows to strengthen business and people-to-people ties as well as raise Chinese respect for human rights norms.

March 20-26, 2014: First Lady Michelle Obama visits China, accompanied by her daughters Malia and Sasha, and mother Marian Robinson, and makes stops in Beijing, Xi'an and Chengdu.

March 24, 2014: President Xi meets President Obama during the 2014 Nuclear Security Summit in The Hague, Netherlands.

March 24, 2014: China's Foreign Ministry demands a clear explanation from the United States over a report that the US National Security Agency infiltrated servers at Huawei's headquarters.

March 26, 2014: World Trade Organization panel determines that China's export restrictions on rare earth minerals violate WTO trade rules, ruling in favor of a case filed by Japan, the European Union, and the United States.

March 27-28, 2014: Fifth US-China Dialogue on the Law of the Sea and Polar Issues is held in Qingdao, China.

March 28, 2014: WTO releases a report that backs China's challenge of countervailing and anti-dumping measures taken by the US against certain products from China. However, it does not support China's claim that a US measure known as the GPX Act is inconsistent with WTO rules.

March 28, 2014: Senior Director for Asian Affairs of the National Security Council Evan Medeiros criticizes China for willfully mischaracterizing the US position on Taiwan and reaffirms that the US stance remains unchanged.

April 7, 2014: After meeting Japanese Defense Minister Itsunori Onodera in Tokyo, Defense Secretary Hagel calls on China to use its “great power” responsibly and respect its neighbors.

April 7, 2014: US House of Representatives passes House Resolution 3470, the Taiwan Relations Act Affirmation and Naval Vessel Transfer Act of 2014, authorizing the transfer by sale of four *Perry*-class frigates to Taiwan.

April 8-11, 2014: Defense Secretary Hagel visits China and meets President Xi, Defense Minister Chang Wanquan and Vice Chairman of the Central Military Commission Fan Changlong.

April 14-15, 2014: Under Secretary of State for Arms Control and International Security Rose Gottemoeller visits China and takes part in the fifth P5 nuclear non-proliferation conference in Beijing, hosted by the Chinese Arms Control and Disarmament Agency.

April 14-17, 2014: US Special Representative for North Korea Policy Glyn Davies hosts bilateral meetings with Chinese Special Representative for Korean Peninsula Affairs Wu Dawei in New York and Washington.

April 15, 2014: In its semi-annual report to Congress on International Economic and Exchange Rate Policies, Department of the Treasury says “China’s currency (RMB) appreciated on a trade-weighted basis in 2013 but not as fast or by as much as is needed.” It does not label China a “currency manipulator.”

April 23, 2014: In response to President Obama’s statement in Tokyo that the US-Japan Treaty of Mutual Cooperation and Security covers disputed islands in the East China Sea, China’s Foreign Ministry spokesman expresses firm opposition and urges the US to take a responsible attitude and honor its commitment to remain neutral on territorial and sovereignty issues.

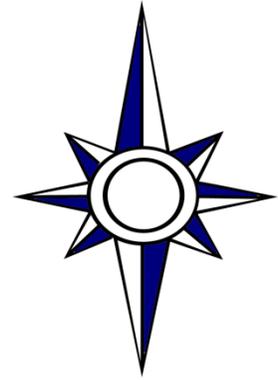
April 23-26, 2014: Delegation led by US House Majority Leader Eric Cantor visits China at the invitation of the National People’s Congress (NPC) Standing Committee and meets Chinese Premier Li Keqiang.

April 28, 2014: President Obama says in joint press conference with President Aquino of the Philippines that “our goal [of the defense agreement] is not to counter China; our goal is not to contain China.”

April 29, 2014: US Department of Commerce’s Bureau of Industry and Security (BIS) announces the addition of eight Chinese companies and one Chinese individual to its Entity List for their roles in supplying Iran’s ballistic missile program through the Chinese proliferator Li Fangwei (a.k.a. Karl Lee).

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



US-Korea Relations:

Strengthened Resolve as North Korea Rumbles

Stephen Noerper, The Korea Society

The first quadrimester of 2014 in US-Korea relations concluded with a visit by President Barack Obama. Making up for his 2013 miss of both the East Asia Summit (EAS) and Asia Pacific Economic Cooperation (APEC) Economic Leaders Meeting, Obama's visit came at an uncertain time in Korean developments: South Korea was in the troughs of a national tragedy with a ferry sinking claiming some 300 lives, North Korea threatened to steal the show with preparations for a fourth nuclear test, and regional tensions remained high amidst territorial and historical disputes. Though Obama sought to temper tensions between Korea and Japan in a late March meeting at The Hague, his hopes for progress in bringing together President Park and Prime Minister Abe saw little progress. During his fourth visit to Seoul (his most visited foreign capital), Obama offered sympathies to the families of the victims of the *Sewol* ferry disaster and assurances with Park on North Korean rumblings. He also visited with the US business community and US military forces.

North Korea's step-up in activity at the Punggye-ri site followed its warning a month prior to Obama's visit of a "new form of nuclear test," suggesting a uranium device, which heightened international concern. North Korea returned to a pattern of bellicose spring rhetoric for the second year under Kim Jong Un, ostensibly as a counter to US-ROK military exercises and continuing through April. The DPRK also fired some 90 rockets over a period of four weeks. This rapid escalation in belligerence seemingly negated earlier diplomatic overtures, with Kim's New Year address endorsing unification and closer cooperation with South Korea, and the reunion of divided families in late February held despite the beginning of the military exercises between South Korea and the US. Kim began the year at North Korea's new Masik Pass ski resort, perhaps a nod to the Sochi Games, from which the DPRK was absent, or as an odd counter to the Sochi closing ceremonies' focus on South Korea's Pyeongchang 2018. Kim's diplomatic run leveled off with the warmer months seeing tensions mount.

Ending the Cold War

Perhaps the most dramatic statement of the period, aside from those associated with President Obama's visit, was Park Geun-hye's March 28 Dresden address. The historic statement at the Dresden University of Technology – expected by some to echo Reagan's call to Gorbachev to "tear down this wall" and invoking the German experience – laid out a three-point proposal: regularize reunions and aid mothers and infants in the North; collaborate in development with China and Russia, invest in infrastructure, transportation, and telecommunications, and jointly develop natural resources; and establish an inter-Korean exchange and cooperation office and people-to-people exchanges.

Sadly the international media failed to give much coverage to the overture, largely as a result of global attention on Russia's annexation of Crimea and threat to Ukraine, which dominated the news cycle. The Park team sought to flush out its *trustpolitik* process regardless, especially with the absence of an overt DPRK rejection. South Korean officials emphasized the importance of Park's early January description of a "jackpot," or "bonanza," associated with unification – in essence a win-win with a united Korea emerging strong economically and politically.

Happy New Year, less one uncle

The year began relatively quietly when compared to 2013's close, as Kim Jung Un struck a somewhat benign tone in his New Year address, and Americans and South Koreans weighed the implications of the earlier arrest and execution of Kim's uncle and number-two, Jang Song Thaek. Reports between January and April indicated a subsequent purge of Jang associates with the arrest and execution of 200 of his closest supporters and imprisonment of 1,000 others. Analysts were split on whether the moves signaled a tightening of control under the young Kim or a power struggle unfolding beneath the surface. An early March US Defense Department report to Congress argued that "the sudden and brutal purge sends a strong message to regime elites that the formation of factions or potential challenges to Kim Jong Un will not be tolerated."

Arguably the oddest note of the New Year saw roving "ambassador" and ex-NBA star Dennis Rodman perform "happy birthday" for Kim on Jan. 8, backed by an awkward lineup of former NBA players there for an exhibition game with North Korean players. Several of the US participants apologized on their return to the US, where Rodman entered rehabilitation for alcoholism (the DPRK reportedly suggested he might not be allowed back until he'd addressed his troubles).

Signaling ROK-US cooperation

The day after President Park's Jan. 6 assertion of a win-win for unified Korea, Secretary of State John Kerry and Foreign Minister Yun Byung-se underscored the solidity of the US-Korea alliance and common cause in encouraging China to rein in North Korea (to the degree possible) on the nuclear front. They also underscored South Korean interest in the Trans-Pacific Trade Partnership (TPP) and cooperation on global issues.

Following on the 2013 series of large-scale cyber-attacks on South Korean networks (commonly attributed to North Korea), the US and Korean defense ministries launched a Cyber Cooperation Working Group, with the first working-level meeting held on Feb. 7. ROK Defense Ministry policy director Jang Hyuk and US counterpart John Davis agreed to increase intelligence sharing on cyber threats and explore ways to advance cyber policy, joint warfare capabilities, and training programs. Korean and US officials held a table-top exercise with hypothetical attack scenarios identifying vulnerabilities in respective response systems and discussed detailed countermeasures.

In military exercises, Combined Forces Command oversaw the *Key Resolve* and *Foal Eagle* exercises. Some 5,200 US forces, with 1,100 from off the Peninsula, and forces from major ROK military units representing all services participated in *Key Resolve*, the annual command-post

exercise that took place Feb. 24-March 6. The annual *Foal Eagle* took place Feb. 24-April 18 with a series of joint and combined field training exercises involving CFC and USFK components spanning ground, air, naval, expeditionary, and special operations. Some 7,500 US forces participated in *Foal Eagle*, with 5,100 coming from off-Peninsula, alongside forces from major ROK units representing all services. Some 200,000 South Korean troops participated with the 12,700 Americans over both exercises.

Despite assurances of the defense-related nature of the exercises, Pyongyang voiced its displeasure, albeit in a more reserved manner than the past. Despite concern that it might repeat its cancellation of the family reunions, those meetings – the first since 2010 – took place over six days, beginning Feb. 20 to widespread media interest. The 439 individuals who participated were a small fraction of the 129,200 who applied, but the Mount Kumgang-sited meetings appeared emotional and often heartbreaking, providing President Park with further impetus for her Dresden address late March.

In response to the joint exercises, Pyongyang conducted what the Pentagon described as “low-level” actions, from rocket launches to brief incursions of a patrol boat across the disputed Northern Limit Line (NLL) maritime border. Early March saw *Scud C* firings, and late March a volley of artillery between North Korea, where 100 of 500 rounds launched by North Korea landed in South Korean waters. South Korea displayed its heightened proportional response, firing 300 rounds into North Korean waters.

Assessing developments

February saw the release of two helpful studies in Washington – an update of the Chronology of US-North Korean Nuclear and Missile Diplomacy by the Arms Control Association, and the release of the comprehensive report titled *U.S.-South Korean Relations* by the Congressional Research Service (CRS), prepared by Mark Manyin (Asian Affairs), Emma Chanlett-Avery (Asian Affairs), Ian Rinehart (Asian Affairs), Mary Beth Nikitin (Nonproliferation), and William Cooper (International Trade and Finance). The report pointed to a “deepen[ing of] the reservoir of trust” between the Park and Obama administrations, with a fundamental question for Congress and the administration being “to what extent they will support – or not oppose – Park’s possible inter-Korean initiatives.”

On Feb. 17, the UN released a 39-page outline of its Commission of Inquiry (COI) report on North Korean human rights violations to massive media and public attention. Panel head Michael Kirby – one of three international jurists charged with the year-long study after United Nations High Commissioner for Human Rights Navi Pillay’s call for international attention – likened the DPRK atrocities to that of the Nazi era. The full 372-page report came a month later in Geneva at the 25th Session of the Human Rights Council; Kirby stated that “the gravity, scale, duration and nature of the unspeakable atrocities committed in the country reveal a totalitarian State that does not have any parallel in the contemporary world.” The US applauded the commission for holding public hearings in Seoul, Tokyo, London, and Washington and the subsequent report, which it deemed “clearly and unequivocally documents the brutal reality” of North Korean human rights abuses. The US was co-sponsor of the resolution that established the COI in March 2013, alongside South Korea, Japan, and the European Union. The Korea Society and Council on

Foreign Relations, both based in New York, held special sessions to broadcast the findings more widely for the media and general public.

A March 6 Experts Panel Report to the UN Security Council recommended that UN member states should significantly improve implementation of existing sanctions to delay DPRK nuclear development rather than passing new measures. The report noted “multiple and tiered circumvention techniques” by the DPRK. According to the panel, the July 2013 interdiction of a North Korean ship carrying Cuban weapons provided “unrivalled insight” into the manner in which Pyongyang circumvents sanctions.

Marking KORUS FTA at two years

In mid-March, the second anniversary of the Korea-US Free Trade Agreement, the Office of the US Trade Representative hailed the “strong results emerging, as the agreement delivers new opportunities for American businesses and workers.” It highlighted Korea’s growth since implementation as the sixth largest US trading partner and an increase in the export of manufactured goods to Korea, Korean purchases of more US services, and US exports of agricultural goods. Korea saw a shoring up of its investment climate given strong provisions on intellectual property rights, services, and investment. At an early March meeting of the Korea-US Economic Council in Seoul, Korea International Trade Association President Han Duck-soo argued that “exports to the United States have increased under difficult circumstances thanks to the KORUS FTA.” Opinions among business leaders were more divided, with some expressing a desire to see more rapid progress and questioning the agreement’s impact to date.

Healing rifts and shoring resolve

Given the deterioration of relations between allies Korea and Japan, President Obama used the Nuclear Security Summit at The Hague for a necessary sidebar. On March 25, he met President Park Geun-hye and Prime Minister Abe Shinzo for a US-ROK-Japan trilateral meeting, hailing this as the “first time for the three of us ... to meet together and discuss the serious challenges that we all face.” Describing Korea and Japan as two of the United States’ closest, significant and powerful allies, he reminded the two of the deep ties between their two peoples, extraordinary cross-trade, and shared concern about North Korea and its nuclear program. But in the weeks that followed, and with more controversial shrine visits by Japanese officials just before Obama’s visit, little progress was made.

The DPRK signaled its displeasure at the trilateral meeting by launching *Scud C* missiles into the East Sea; it followed with a launch of *Nodong* mid-range missiles in its longest-range test since December 2012. The missiles traveled 650 km, about half their range, prompting Japan’s defense minister to order a shoot down of any missiles fired near Japan between April 3 and 25. South Korea responded to North Korea’s actions by testing its own new longer-range missile with a range of 500 km on April 5 and also committing to development of an 800 km missile. These moves provoked concern among some US analysts.

Gen. Curtis Scaparrotti, USFK commander, testified on March 26 before the Senate Armed Service Committee that the dozens of missiles fired by the DPRK since late February indicated a

capability to launch “on short notice, with very little warning” and described Kim Jong Un as more dangerous and unpredictable than his father, Kim Jong Il. In addressing the consolidation of US troops south of Seoul, he noted that initial US troop relocation to Camp Humphreys (Pyeongtaek) should begin in 2014, with most forces moving in 2016, despite a timeline delay of three months. The relocations will realize hubs in Pyeongtaek and Daegu, with the Humphreys area increasing from 9,000 to 24,000. The project was delayed from 2008 to 2012 and now 2016.

Early April saw a Washington-based senior working-level follow-on meeting to the US-Japan-ROK Trilateral Meeting. Described as “productive, substantive,” the April 7 meeting included a restatement to the September 2005 Joint Statement of the Six Party talks, affirmation of the UNSC unanimous condemnation of recent DPRK ballistic missile launches (violating resolutions 1718, 1874, 2087 and 2094), and condemnation of DPRK human rights abuses.

A third trilateral meeting focused on security issues was held on April 17-18 in Washington among South Korea, the United States and Japan to explore ways to cooperate in addressing DPRK nuclear weapons threats and missile launches, especially given a firing of two medium-range ballistic missiles the day prior. The Pentagon meeting, led by Chief of Staff for the Secretary of Defense Mark Lippert, ROK Deputy Minister for Policy of the Ministry of National Defense Yoo Jeh Seung, and Director General of the Japanese Defense Ministry’s Defense Policy Bureau Hideshi Tokuchi saw a reaffirmation for a coordinated response and close cooperation on the DPRK nuclear, ballistic missile and proliferation programs, as well as in non-traditional security areas, such as disaster relief.

Providing support, condolences and assurances

The US Navy amphibious assault ship *USS Bonhomme Richard*, a Seventh Fleet ship that took part in *Foal Eagle’s* Ssang Yong amphibious landing, responded on April 16 to the sinking of the *Sewol*, a South Korean ferry carrying 475 passengers, many of school age. The US ship, which had been conducting routine maritime operations when the ferry sinking took place, dispatched *MH-60* helicopters for search-and-rescue operations (with its embarked Marine expeditionary unit, the ship is capable of both combat and humanitarian operations). Some 302 lives were lost in the ferry tragedy, which left Koreans expressing tremendous grief over the loss of life and anger at the crew, shipping company operators, and public officials.

On April 17 from Washington, President Obama expressed condolences to the families of the victims, describing the bonds of friendship between the US and Korean peoples as “strong and enduring.” Obama stated that, “our hearts ache to see our Korean friends going through such a terrible loss, especially the loss of so many young students.” He noted that during his Seoul visit, he would emphasize that “America’s commitment to our ally South Korea is unwavering – in good times and in bad. As the Korean people deal with this heartbreaking tragedy, they will have the unending support and friendship of the United States.”

South Korea’s state of national mourning provided for a somber arrival by President Obama on April 25. North Korea sought to divert attention by readying for a fourth nuclear test at Punggye-ri. Obama’s trip to Seoul also coincided with the DPRK’s public holiday marking the founding of its 1.2 million-strong army. But in what some analysts saw as a sign of an inter-Korean thaw,

North Korea did offer condolences through its hotline at Panmunjom (It also may have delayed the nuclear test for fear of offending South Korean sentiment). That in no way lessened concern regarding test preparations, which the *38 North* blog highlighted on April 23. The same day, Obama called Chinese President Xi Jinping, urging China to take “critically important” steps to curtail DPRK plans.

On his arrival in the ROK, President Obama laid a wreath at the National War Memorial, visited Gyeongbok Palace, and met President Park at the Blue House. In the joint press conference that followed, Park described US-Korea defense capabilities in the face of the DRPK threat as “solid and [they] will be further cemented.” The two agreed to a delay of the transfer of Operational Control (OPCON), which Seoul had been pressing. She described North Korea’s weapons development and desire for economic development as “incompatible.” In turn, Obama described South Korea and the United States as standing “shoulder-to-shoulder” in the face of DPRK provocation after first expressing US sorrow over the ferry tragedy, offering a US flag that had flown over the White House the day of the disaster and a magnolia tree from the South Lawn for Danwon High School, which many of the victims attended. Obama also invoked Park’s Dresden address, applauding her description of a unified Korea “free from the fear of war and nuclear weapons.” As he had stated in Tokyo, Obama asserted in Seoul that China, given its economic leverage, has a “leading role” in curtailing North Korea’s test threat. The following day, the US president concluded the Korea portion of his Asia trip by participating in a morning trade roundtable with business leaders and offering remarks after a Combined Forces Command briefing at Yongsan Garrison.

Chronology of US-South Korea Relations January-April 2014

Jan. 6, 2014: In her first press conference of the year, President Park Geun-hye states that “in a nutshell, I think unification would be the jackpot.”

Jan. 6-8, 2014: South Korean Foreign Minister Yun Byung-se visits Washington and meets Secretary of Defense Hagel and Secretary of State John Kerry.

Jan. 7, 2014: US [announces](#) the deployment of an additional mechanized infantry battalion equipped with tanks and armored infantry fighting vehicles to Korea.

Jan. 7-8, 2014: US and South Korea hold ninth round of talks on replace of the 1974 treaty on civil nuclear cooperation.

Jan. 13, 2014: South Korea and US hold preliminary bilateral discussions in Washington on possibility of South Korea participating in Trans-Pacific Partnership (TPP).

Jan. 15, 2014: North Korea’s Committee for Peaceful Reunification of the Fatherland [says](#) that USFK joint military exercises *Key Resolve* and *Foal Eagle* drills are tantamount to a declaration of “full-scale nuclear war” and “if carried out, will fatally destroy the inter-Korean relations and trigger unimaginable calamities and disasters.”

Jan. 19-24, 2014: US Deputy Secretary of State William Burns visits South Korea, China, and Japan to discuss, bilateral, regional, and global issues.

Jan. 22, 2014: The World Trade Organization (WTO) Dispute Settlement Body establishes a panel on US anti-dumping and countervailing measure on Korean washers.

Jan. 26-31, 2014: US Special Representative for North Korea Policy Glyn Davies visits China, South Korea, and Japan to discuss North Korea policy.

Feb. 7, 2014: South Korea and the US hold their first working-level meeting on cyber security to discuss ways to develop joint cyber warfare capabilities and an emergency response system.

Feb. 2014: Arms Control Association releases detailed update of the *Chronology of U.S.-North Korean Nuclear and Missile Diplomacy*, tracing developments from 1985-2013.

Feb. 12, 2014: Congressional Research Service (CRS) releases *U.S.-South Korean Relations* report.

Feb. 13-17, 2014: Secretary of State John Kerry visits Asia with stops in Seoul, Beijing, and Jakarta to meet senior government officials to discuss bilateral, regional, and global issues.

Feb. 17, 2014: UN Commission of Inquiry (COI) releases report outline on DPRK human rights violations.

Feb. 20-25, 2014: Inter-Korean reunions held at Kumgang-san.

Feb. 24-March 6: *Key Resolve* exercises aimed at strengthening ROK-US readiness are held.

Feb. 24-April 18: *Foal Eagle* joint and combined field exercises take place. The DPRK begins a series of missile launches.

March 3, 2014: US Seventh Fleet's flagship *USS Blue Ridge* arrives as part of *Key Resolve*, and *Yonhap* reports nuclear submarine *USS Columbus* arriving in Busan, which USFK did not acknowledge.

March 5, 2014: US Department of Defense releases a report to Congress arguing that the execution of Jang Song Thaek will have little impact on Kim Jung Un's rule or defense policy.

March 5, 2014: Korea-US Economic Council holds Board of Directors and Regular Meeting crediting the KORUS FTA for expanding exports.

March 6, 2014: UN Panel Report to the UN Security Council on North Korea Sanctions is released.

March 17, 2014: UN Commission of Inquiry (COI) releases full report on DPRK human rights violations.

March 25, 2014: President Obama hosts President Park and Prime Minister Abe for a trilateral meeting at The Hague, on the sidelines of the Nuclear Security Summit. North Korea launches more short range and mid-range missiles in show of displeasure.

March 26, 2014: Gen. Curtis Scaparrotti, USFK Commander, testifies before the Senate Armed Services Committee.

March 31, 2014: North Korea fires more than 100 artillery rounds into South Korean waters. South Korea responds with more than 300 rounds into North Korean waters.

April 5, 2014: South Korea tests 500 km range missile and promises an 800 km range option.

April 7, 2014: Washington hosts the US-Japan-Republic of Korea Trilateral Meeting among senior working level representatives.

April 9, 2014: Special Envoy for North Korean Human Rights Issues Robert King addresses Ewha Womans University students.

April 16, 2014: *USS Bonhomme Richard* responds to the sinking of the ferry *Sewol* near Jindo Island off Korea's southwest coast.

April 17-18, 2014: Washington hosts the US-Japan-Republic of Korea Defense Trilateral Talks.

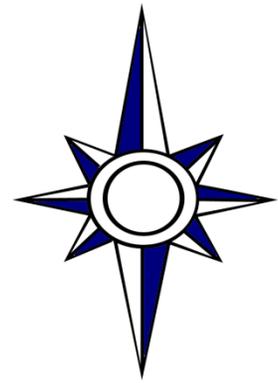
April 17, 2014: President Obama extends condolences to the families of the victims of the sinking of the ferry *Sewol*.

April 17, 2014: UN Security Council meets to discuss human rights violations outlined in the UN Commission of Inquiry on Human Rights in North Korea. Russia and China do not attend.

April 25-26: President Obama visits the Republic of Korea.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



US-Southeast Asia Relations:

A Strong Start to the New Year

**Catharin Dalpino,
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In the first four months of 2014, the United States raised its profile in Southeast Asia with a series of high-profile visits and events. Secretary of State John Kerry visited Indonesia in February, delivering a speech on climate change that resonated in a region expecting a major impact from global warming and rising seas. In early April, Secretary of Defense Chuck Hagel hosted the first-ever US-ASEAN Defense Ministers Meeting in Hawaii. The specter of the missing Malaysia Airlines MH370 hung over this meeting as an example of the growing need for regional cooperation and coordination in the face of disaster. At the end of the month, President Obama visited Malaysia and the Philippines, stops he had cancelled last fall because of the US government shutdown. The main deliverables of his trip – a Comprehensive Partnership with Malaysia and an enhanced defense agreement with the Philippines – shored up the administration’s assertion that the US “rebalancing” to Asia is real, and that Southeast Asia is critical to that process. However, the heavy emphasis on defense in Obama’s Philippines visit also reinforced Southeast Asian perceptions that the “pivot” is primarily a security policy.

This perception was strengthened by the fact that Washington was not able to demonstrate as much progress in economic relations with the region in these months. Broad movement on the Trans-Pacific Partnership was held hostage to disagreements between the United States and Japan, leaving unresolved issues such as pharmaceutical patents with Malaysia and the reform of state-owned enterprises with Vietnam. In January Myanmar assumed chairmanship of ASEAN for the first time. The acid test of this new responsibility is reckoned to be keeping on track ASEAN’s policy on the South China Sea in the face of Chinese pressure; the situation in Ukraine presents a new challenge to the group. Relations between Washington and Nay Pyi Taw are slowing over continued violence in Rakhine State. In the meantime, a rift has developed between Congress and the Obama administration over relations with Myanmar’s military. Washington watched the Thai political crisis with concern but, as have other external powers, could do little to help resolve it.

Malaysia trip

No US president had visited Malaysia since Lyndon Johnson did so in 1966, and the historic nature of President Barack Obama’s trip in April was widely noted. However, implicit comparisons were also made to Vice President Albert Gore’s visit in 1998, and the war of words between Gore and then-Prime Minister Mahathir Mohamad over the trial of Deputy Prime Minister Anwar Ibrahim. With charges against Anwar revived this year, Obama had to pick his way carefully to further a relationship that had changed markedly over the past two decades

while adhering to US human rights concerns. He chose a middle path, sending National Security Advisor Susan Rice to meet Anwar.

This diplomatic dilemma did not appear to diminish the impact of Obama's visit. On April 27, he and Prime Minister Najib Razak, announced the inauguration of the US-Malaysia Comprehensive Partnership, the third such agreement forged between the US and a Southeast Asian partner in recent years (the others being Indonesia in 2010 and Vietnam in 2013). As its title suggests, the Comprehensive Partnership is a policy umbrella, designed to bring together all aspects of the bilateral relationship: political and diplomatic cooperation; trade and investment; education and people-to-people ties; security and defense cooperation; and collaboration on the environment, science and technology, and energy. The driver of the partnership will be the US-Malaysia Senior Officials Dialogue.

Within this basket, however, security and trade are by far the dominant areas. As tensions with China over the South China Sea have increased, even involving James Shoal, Kuala Lumpur has cautiously advanced joint exercises and other forms of security cooperation with Washington, with an emphasis on maritime security. As an adjunct deliverable to Obama's visit, Malaysia endorsed the Proliferation Security Initiative (PSI) on April 27. Obama also signed commercial agreements valued at \$2 billion in such areas as biotech and aviation, and noted that the US is Malaysia's largest source of foreign direct investment.

However, intellectual property rights (IPR) issues in the TPP, particularly those that would extend patents on pharmaceuticals and so keep prices of certain medicines high, are a key area of dispute in US-Malaysia trade relations. Kuala Lumpur maintains that IPR issues are sensitive in the domestic political environment – former Prime Minister Mahathir is a sharp critic of the TPP for this reason, but they are increasingly critical to US domestic politics as well. More than 50 percent of the companies that drive the US export sector are IPR-intensive; moreover, the US has 35 percent of its foreign direct investment (FDI) in the developing and newly-developed world, in contrast to the European Union, which has only 12 percent of its FDI outside the West and Japan. When the US and Japan resolve their differences over the TPP, which lie in such areas as beef and automobiles, Washington is likely to lean on Tokyo to support its IPR position in the negotiations. IPR issues distinguish the TPP from the US-European Union Trans-Atlantic Trade and Investment Partnership (TTIP), also under negotiation and give the TTIP a greater chance of getting to the finish line before the TPP.

Partnerships in perspective

Obama's trip subtly called into question the structure of US security relations in Southeast Asia. His visit to the Philippines, his first as president, centered on security and on strengthening the US-Philippine alliance in accordance with post-Cold War Southeast Asian sensitivities. The Enhanced Defense Cooperation Agreement (EDCA), signed in Manila on April 27 by Ambassador Philip Goldberg and Philippine Defense Secretary Voltaire Gazmin, is a ten-year pact that will give US forces greater access to selected military bases, on a temporary and rotational basis, and permit prepositioning of some equipment. Precise numbers of US troops and sites are still to be determined, and are likely to be guided by joint military activities rather than unilateral US moves. National Security Council Senior Director for Asia Evan Medeiros

has indicated that the US hopes Subic Bay will be one facility open to the US under EDCA. The agreement states specifically that the US would “not establish a permanent military presence or base in the Philippines” – a red line for even the most US-friendly Southeast Asian country – and that Philippine officials would have complete access to any areas to be shared with US forces. As an executive agreement, the EDCA does not require ratification by either country’s legislature.

The EDCA is the logical next step in the Pentagon’s cautious attempt to expand flexible basing in the Asia-Pacific region, following the agreement with Australia to rotate US Marines through Darwin and the accord with Singapore to permit the US Navy to rotate four littoral combat ships. However, the Pentagon may be tapped out for other flexible basing opportunities in Southeast Asia for the time being. In early 2013, when PACOM expressed interest in helping develop Utapao Naval Air Base in Thailand’s upper south as a regional hub for humanitarian assistance, in response to Thai government requests, the resulting domestic firestorm caused both sides to pull back. The latest surge of the Thai political crisis, which began last November, has kept this issue off the table, although other aspects of the US-Thailand security relationship have continued, including the annual *Cobra Gold* exercises in February. Nor is Vietnam likely to agree to enhanced access for the US in Cam Rahn Bay or other facilities, despite a growing number of port visits and other aspects of military engagement, such as US support for training Vietnamese forces in peacekeeping operations.

Enhanced US-Philippine security cooperation also raises issues in Manila of Washington’s support for the Philippines in the South China Sea. A greater US military presence in the Philippines could act as a deterrent to skirmishes between Chinese and Philippine vessels, but it also runs the risk of riling Beijing. Although President Obama declared the US-Philippine alliance to be “ironclad” during his visit, the extent of alliance solidarity is still a matter of interpretation. For example, the United States advocates the resolution of maritime disputes through international legal means, but US policymakers have taken pains to clarify that support for this principle does not necessarily imply endorsement of the Philippines’ case against China in the UN Law of the Sea tribunal (but neither does it exclude such support).

In his joint press conference with Philippine President Benigno Aquino III, Obama characterized the security relationship as “the oldest security treaty alliance that we have in Asia,” a claim that, although technically correct, may raise objections from Thailand, which points to the 1833 US-Thailand Treaty of Amity and Commerce as the longest continuous US alliance in Asia. But the model of a treaty alliance will be increasingly tested in Southeast Asia into the 21st century. The growing trend is away from formal alliances and toward “partnerships,” which are assumed to include security cooperation but encompass all other areas of policy as well. The broad scope of these arrangements provides a common bureaucratic mechanism to hold disparate elements of policy together, and they also offer some stability. Secretary Kerry’s visit to Indonesia in February, in the context of a joint meeting of the US-Indonesia Comprehensive Partnership, signaled continuity in the relationship as Indonesia faces new national elections this year.

The highest of these new agreements is a “strategic partnership,” which the US has with Singapore, with a “comprehensive partnership” ranking below that. China holds several bilateral strategic partnerships (often labelled “comprehensive strategic partnerships”) with Southeast Asian countries - ranging from Thailand to Vietnam – as well as one with ASEAN as a whole.

All sides acknowledge that there is a certain amount of wordsmithing attendant to the formation of these partnerships, but also that they allow Southeast Asian countries to balance relations among external powers without forming alliances *per se*. However, the US tends to view a “strategic partnership” as primarily a security vehicle, while Southeast Asian countries view them as a broader instrument. Thus, in 2006 Thailand briefly proposed moving from a treaty alliance to a strategic partnership, which Bangkok considered an enhancement of relations but Washington viewed as a downgrade. Vietnam was disappointed to negotiate only a “comprehensive partnership” with Washington rather than a strategic one in 2013, although Secretary Kerry’s visit to Vietnam last December convinced Hanoi that the current partnership is a boon to enhanced cooperation.

Maintaining “ASEAN Centrality”

After Obama’s visit to Malaysia and the Philippines, the high point of US relations with Southeast Asia in 2014 thus far has been the US-ASEAN Defense Ministers Meeting in Honolulu in early April, hosted by Secretary of Defense Chuck Hagel. In recent years, ASEAN defense ministers have met with their US counterpart in the fall and with China in the spring, in Asia. The Honolulu meeting was out of that cycle and, for the first time, held in the US. This raises the possibility of doubling the number of US-ASEAN defense meetings, if Nay Pyi Taw invites the US to meet again in the fall. (If ASEAN decides to do so, it will likely double the number of its meetings with China as well.) The Honolulu meeting also advanced US bilateral security relations with some countries: for example, it represented the first time that defense ministers from Myanmar and Laos had made official visits to the United States.

Secretary Hagel included US Agency for International Development Administrator Rajiv Shah and ASEAN Secretary-General Le Luong Minh in the meeting. These invitations were important acknowledgments of the prominence of humanitarian assistance and disaster relief (HADR) in the agenda of the ASEAN Defense Ministers Meeting process, and of “ASEAN centrality” in the process as well. That said, the meeting raises issues about the role of an ASEAN-led regional defense framework versus once led by one or more regional powers. Most responses to disasters - from the 2004 Boxing Day tsunami to Typhoon *Haiyan* to the search for MH370 - take the form of *ad hoc* partnerships in which external powers (the US, Japan, India, Australia) take prominent roles. In addition, *Cobra Gold* remains the largest multilateral security exercise in the world, with several Southeast Asian countries (Thailand, Indonesia, Malaysia, and Singapore) as full partners. Nevertheless, ASEAN can play a critical role; after Cyclone *Nargis* struck Myanmar in 2008, for example, ASEAN persuaded the reluctant junta in place at the time to allow international aid in affected areas.

The first ASEAN Defense Ministers Meeting in 2014, which is scheduled to be held in Nay Pyi Taw in late May, will oversee the rotation of co-chairs of the Expert Working Groups (EWG’s), the heart of the ADMM and the ADMM-Plus process. Vietnam and China will rotate out of the Humanitarian Assistance and Disaster Relief EWG, with the co-chairs taken up by Laos and Japan. Singapore and Japan will yield co-chairmanship of the Military Medicine EWG to Thailand and Russia. The EWG for Maritime Security will shift co-chairs from Malaysia and Australia to Brunei and New Zealand. The Peacekeeping EWG will be chaired by Cambodia

and South Korea, replacing the Philippines and New Zealand. The Counter-Terrorism EWG will be co-chaired by Singapore and Australia, replacing Indonesia and the US. A new EWG for Mine Deactivation, established at the end of 2013, will be co-chaired by Vietnam and India.

The ADMM and its network of EWGs remain the hallmarks of ASEAN's movement toward a security community. As has been the case since ASEAN's inception in 1967, the member governments are less comfortable with more sensitive security issues. Over the past month, the 10 nations have episodically attempted, without success, to formulate a common position on the situation in Ukraine. This problem places Vietnam in a particular dilemma; the popular protests that ousted Prime Minister Viktor Yanukovich and other uprisings in post-Leninist states are more worrisome to Hanoi than the political turmoil in nearby Thailand. However, the annexation of Crimea and Russia's activities on the Ukraine border also alarm Vietnamese officials for the seeming disregard of Westphalian principles, despite the fact that Vietnamese-Russian relations are on an upswing. Other ASEAN members are less invested in the issue but nevertheless uncomfortable with criticizing an external partner. A common position is not likely to emerge, but ASEAN will be wary of this issue, if only to ensure that it does not play a negative role in the ASEAN Regional Forum and the East Asia Summit.

Reality check in US-Myanmar relations?

The most high-profile bilateral US relationship in Southeast Asia in the Obama presidency has been with Myanmar. Responding to the current government's political and economic reform platform, diplomatic relations have gradually normalized. The administration and Congress have been largely in agreement on normalization, with executive orders suspending most sanctions, although the five sanctions laws remain on the books. However, in the early months of 2014 increasing daylight between the two branches of government has emerged.

Two issues characterize this new breach. The first is the scope and tenor of US-Myanmar military-to-military relations. At a Dec. 4, 2013 oversight hearing by the House International Affairs Committee, Congress made clear its opposition to providing funds to Myanmar for International Military Education and Training (IMET) program, while administration officials made equally clear their belief that such training would benefit the broader reform process in Myanmar by engaging the military.

An adjacent issue is the list of Specially Designated Nationals (SDN), of individuals and organizations tagged for visa sanctions and asset seizure. The Treasury Department manages the SDN list, in conjunction with the State Department, for several countries. The SDN list for Myanmar focuses on former regime officials and other "cronies." Under pressure from US businesses, third countries such as Japan eager to expand their investments in Myanmar, and the Myanmar government itself, the two agencies are reportedly reviewing the SDN list. Any additions or subtractions to the list are likely to be announced in the summer when the administration must renew its executive orders on Myanmar sanctions.

The second issue is rising communal violence in Myanmar, particularly against Muslims in the western state of Rakhine. Violent attacks against international aid groups in Rakhine have raised concerns in Congress as well as in the administration. The collected weight of these concerns has caused Congress to tighten the reins slightly on funding for Myanmar. In the spending report

for the Fiscal Year 2015 budget, Congress directed the State Department to submit a report on US policy to promote democracy and human rights in Myanmar. The report is to be handled by the Bureau of Democracy, Human Rights and Labor (DRL), which is likely to take a more stringent line on this issue than the Bureau of East Asian/Pacific Affairs. With the possibility of the return of sanctions, the Myanmar government has intensified its attempts to persuade Congress to repeal the existing sanctions laws, a step it considers necessary to build US investor confidence in Myanmar. There is virtually no possibility of this before Myanmar's national elections in late 2015, and only then if Congress believes the elections have been a major step toward genuine democracy in Myanmar.

Although it is more difficult to codify than military relations or anti-Muslim violence, many members of Congress are concerned about the outcome of the 2015 Myanmar elections as well. Aung Sang Suu Kyi, leader of the National League for Democracy and now a member of Parliament, continues to be barred from becoming president under Article 59F of the constitution, which forbids citizens whose family members have foreign nationality from becoming president or vice president. Suu Kyi has lobbied vigorously for revision of this and other constitutional provisions which disadvantage the political opposition. Although there is broad support in the US policy community for her stand on this issues, some of her supporters express disappointment that she has not taken a more vigorous stand in opposing communal violence. Her transition from icon to politician contributes to growing awareness in Washington that the low-hanging fruit in US-Myanmar relations has been picked, and that strengthening relations will be more of an effort on both sides.

The year ahead

With President Obama just back from his Southeast Asia trip, the region is already anticipating his return in November, for the East Asia Summit in Nay Pyi Taw. With this prospect, Myanmar will likely pass the litmus test of keeping the South China Sea (or a more vague reference to maritime security) on the agenda of the ASEAN Regional Forum in August. However, progress on domestic reform – most importantly on curbing violence against Muslims – will also affect the administration's decision on Obama's trip. Hanoi is hoping to welcome the president on a stopover to the EAS (or the APEC or G20 meetings); toward that end, pressure on Vietnam will intensify to release more bloggers and other political prisoners.

Progress on the TPP will be slow, and the 12 negotiating partners may not finalize an agreement by the end of the year. However, ASEAN will be preoccupied with completing the ASEAN Economic Community in time for its publicized roll-out in 2015; Kuala Lumpur and Manila are not likely to object strenuously if TPP negotiations carry over into next year. Domestic political events ranging from national elections in Indonesia to a resolution (or its lack) of the Thai political crisis will affect a number of US bilateral relations in Southeast Asia in the short-term.

Chronology of US - Southeast Asian Relations January - April 2014

Jan. 1, 2014: Myanmar assumes chairmanship of ASEAN for the first time, having been passed over for that role in 2004.

Jan. 12-17, 2014: Malaysian Defense Minister Min Hishamuddin Hussein visits Hawaii and Washington, his first official visit to the United States. His visit sparks the announcement of increased joint exercises and training between the US and Malaysian militaries.

Jan. 15, 2014: Manila announces its intention to acquire two more ships from the United States, a follow-on from Secretary of State John Kerry's visit to the Philippines in December.

Jan. 17, 2014: Myanmar hosts its first ASEAN meeting, a foreign ministers retreat in Bagan.

Jan. 21, 2014: State Department issues a statement of concern on increased violence in Bangkok in the ongoing political crisis, which has resulted in several casualties and injuries.

Jan. 30, 2014: Evan Medeiros, National Security Council senior director for Asia, cautions China against setting up an air defense identification zone (ADIZ) in the South China Sea, similar to the one Beijing established in 2013 in the East China Sea. Medeiros warns that doing so could result in a shift in US military posture in the region.

Jan. 31, 2014: Myanmar's Constitutional Review Joint Committee, a Parliamentary group charged with recommending revisions to the 2008 constitution, issues its report. The 109-member body supports greater decentralization, but is silent on more high-profile political issues. This includes provisions in the constitution that prohibit individuals from becoming president if their spouses or children hold foreign citizenship and reserve 25 percent of parliamentary seats for the military.

Feb. 2, 2014: General elections are held in Thailand. The opposition Democratic Party boycotts the polls and the People's Democratic Reform Committee obstructs some voting. This eventually causes the Constitutional Court to nullify the elections.

Feb. 5, 2014: Tag-teaming with Medeiros' Jan. 30 statement, Assistant Secretary of State for East Asian and Pacific Affairs Danny Russel says that China's use of a "nine-dash line" to claim territories in the South China Sea is not based on land features and is therefore inconsistent with international law.

Feb. 11-21, 2104: Despite the political crisis in Thailand, Bangkok and Washington co-host the 33rd annual *Cobra Gold* exercises, along with co-partners Japan, South Korea, Singapore, Malaysia, Indonesia, and several observers.

Feb. 12, 2014: State Department signs an agreement with the Lao Ministry of Education to fund educational programs on unexploded ordnance (UXO).

Feb. 16-17: Secretary Kerry visits Jakarta and co-hosts the fourth Joint Commission Meeting of the US-Indonesia Comprehensive Partnership with Foreign Minister Marty Natalegawa.

Feb. 18, 2014: Officials from the Philippines, Malaysia, and Vietnam meet in Manila to coordinate policy regarding Chinese activities in the South China Sea. Fellow claimant Brunei fails to send representatives to the meeting, despite originally agreeing to attend.

Feb. 22-25, 2014: A Ministerial Meeting of the Trans-Pacific Trade Partnership (TPP) is held in Singapore. It fails to make significant progress, and no specific date is set for the next round of negotiations.

Feb. 26, 2014: State Department releases the 2013 Human Rights Reports. Myanmar's human rights situation are described as improving, while Vietnam is called out for its detention of such bloggers as Le Quoc Quan.

March 2-8, 2014: Undersecretary of State for Political Affairs Wendy Sherman leads delegation to Vietnam, Myanmar, and Malaysia.

March 4, 2014: Office of the US Trade Representative (USTR) releases its 2014 trade agenda, which lists the TPP as a top priority.

March 5, 2014: A 2013 Department of Defense report to Congress on Myanmar's relationship with North Korea is made public. It states that Myanmar continues to distance itself from Pyongyang but still receives some conventional arms and may also be receiving equipment for ballistic missiles.

March 7, 2014: Malaysian Court of Appeals overturns an earlier acquittal of opposition leader Anwar Ibrahim on sodomy charges, but defers his five-year prison sentence to allow for appeal. Anwar's defenders charge that the move is political, to prevent Anwar from contesting the by-election in Selangor on March 23.

March 8, 2014: Malaysia Airlines announces that its Flight MH370, a scheduled international passenger flight from Kuala Lumpur to Beijing, lost contact with air traffic control less than an hour after take-off. Six hours later the airline declares the plane missing and a search that will involve 26 countries begins.

March 9, 2014: Chinese ships patrol near Second Thomas Shoal in the South China Sea and expel Philippine vessels that the Chinese claim are carrying materials to build permanent structures on the Shoal.

March 11, 2014: Vietnamese Finance Minister Dinh Tien Dung visits Washington to meet with Treasury Secretary Jack Lew. They discuss TPP and bilateral trade issues.

March 24, 2014: Malaysian government announces that Flight MH370 is believed to have crashed in a remote area of the Indian Ocean west of Perth, Australia.

March 25, 2014: Committee on Foreign Affairs of the House of Representatives passes House Resolution 418, which "Calls on: (1) Burma to end the persecution and discrimination of the Rohingya people and ensure respect for internationally recognized human rights for all ethnic

and religious minority groups, and (2) the United States and the international community to put consistent pressure on Burma to end such persecution and discrimination.”

March 27, 2014: Manila signs the Comprehensive Agreement on the Bangsamoro with the Moro Islamic Liberation Front (MILF), an achievement not only of the two sides but also of Malaysia, which had helped to mediate negotiations for over a decade.

March 30, 2014: The Philippines files a 4,000-page document with a United Nations Law of the Sea tribunal in The Hague in support of its case against China on the “nine-dash line” and related issues. US State Department issues a statement reaffirming its support for “the exercise of peaceful means to resolve maritime disputes.”

April 1-3, 2014: Secretary of Defense Chuck Hagel hosts a meeting with the ASEAN Defense Ministers in Honolulu, the first US-ADMM held in the United States.

April 2, 2014: State Department issues a statement of concern on the humanitarian crisis in Myanmar’s Rakhine State and attacks on United Nations and non-governmental groups that provide services to internally displaced persons in Rakhine.

April 8-14, 2014: United States and Vietnam hold joint non-combat naval exercises, focusing on search-and-rescue and military medicine. Two US ships and 400 US personnel are involved.

April 8, 2014: Assistant Secretary Danny Russel visits Bangkok and delivers a letter from Secretary Kerry warning against a military coup as a response to the political crisis.

April 10, 2014: Assistant Secretary Russel visits Myanmar and meets President Thein Sein. They discuss Nay Pyi Taw’s ASEAN chairmanship and the situation in Rakhine State.

April 22, 2014: Thai political crisis does not prevent Bangkok from co-hosting (with China) an ASEAN Senior Officials Meeting on a Code of Conduct on the South China Sea, in Thailand.

April 26-27, 2014: President Obama visits Malaysia. He meets Prime Minister Najib Razak and civil society groups. In keeping with the administration’s Young Southeast Asian Leaders Initiative announced in December, Obama also meets with youth groups.

April 27, 2014: A day before President Obama is scheduled to arrive in Manila, the United States and the Philippines sign the Enhanced Defense Cooperation Agreement.

April 28, 2014: The Philippines and the US sign a 10-year Enhanced Defense Cooperation Agreement (EDCA) that allows US military forces to access military bases in the country.

April 28-29, 2014: President Obama visits the Philippines.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



China-Southeast Asia Relations:

South China Sea Advances Meet Stiff US-led Opposition

**Robert Sutter, George Washington University
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Chinese leadership's efforts in late 2013 to shift the emphasis of China's regional posture toward positive economic and diplomatic initiatives and to play down South China Sea territorial disputes foundered in early 2014. Led by US government officials, notably the secretaries of State and Defense, increasing international criticism focused on Chinese efforts to advance territorial control through coercive, intimidating, and disruptive means. Beijing's continued assertiveness and advances involving fishing regulations, air defense rights, and coast guard and naval activities based on China's vague and broad territorial claims received repeated, strong US executive branch criticism and firmer opposition in Congress. The US was joined by regional allies Japan, the Philippines, and Australia. Official Chinese media noted President Barack Obama's endeavor to sidestep direct criticism of China during stops in Malaysia and the Philippines in his April visit to Asia, though the Philippine-US Enhanced Defense Cooperation Agreement marking Obama's Manila visit was widely criticized. Although Southeast Asian media and other non-government commentary also registered concerns with Chinese assertiveness, most governments tended to avoid criticism of China. Nevertheless, Malaysia and Indonesia voiced unusual concern for their interests posed by China's broad territorial ambitions.

China's image of success, beneficence, and resolve

Leadership pronouncements and supporting commentary portrayed China as successfully striking the "right balance" in efforts to advance control over disputed territory while winning regional support through active and avowed mutually beneficial economic, diplomatic, and other initiatives with Southeast Asian governments, ASEAN, and other regional groups. In January, official Chinese media reviewed developments over the past year to forecast continued progress in economic and other interchange with Southeast Asian governments and organizations amid strong efforts to safeguard contested territorial claims. Prime Minister Li Keqiang's government work report to the March meeting of the National People's Congress (NPC) hailed Chinese efforts to build a maritime "Silk Road" of ever-greater Chinese-Southeast Asian economic interchange along with an upgrading of the China-ASEAN Free Trade Agreement. As part of China's recent emphasis on improving relations with countries along its periphery, China-Southeast Asia diplomatic work has entered "a new stage," according to the report. Though Li and President Xi Jinping had muted public affirmations of Chinese resolve on territorial disputes during visits to the region last fall, Li's report and supporting commentary revived a practice seen in official comment since 2012 in strongly stating that "we must firmly safeguard our national sovereignty, security and development rights."

In his press conference at the end of the NPC meeting, Li recalled his visits to Southeast Asia to advise that China's concurrent "unswerving" determination to pursue "peaceful development" and "unshakable" will to safeguard China's sovereignty and territorial integrity have been successful in the region. In similar fashion, Li's address to the annual Boao Forum in Hainan Province in April stressed various Chinese initiatives to advance regional development and prosperity while underlining determination to uphold Chinese sovereignty.

Echoing these themes at his press conference at the NPC meeting, Foreign Minister Wang Yi underlined resolve to defend sovereignty and territorial rights while affirming a long list of positive Chinese attributes in demonstrating "new development in China's good-neighbor policy." According to the foreign minister, China wishes to "forge a common destiny" with Southeast Asian and other countries along China's rim, and will do so with "magnanimity" and "cordial, honest, kind and tolerant" diplomacy; "if others give us an inch, we give them a yard." Regarding territorial disputes with Southeast Asian countries, Wang stated "we will absolutely not bully small countries, just because we are a big country," but added in apparent reference to the Philippines and its vocal opposition to Chinese assertiveness over disputed territory "nor will we accept small countries to kick up a row."

Rising criticisms, Chinese responses

The paeans in official Chinese commentary over the alleged success of China's seemingly contradictory two-track approach to Southeast Asia involving positive incentives on the one hand and coercion, intimidation, and pressure on the other have dropped off in the face of increased criticism led by senior US government officials. As seen in other sections of *Comparative Connections*, US officials, notably Secretary of State John Kerry and Secretary of Defense Chuck Hagel, have been in the forefront in sharply criticizing and challenging Chinese actions and claims in disputed maritime territories. In Southeast Asia, Secretary Kerry, speaking in Manila in December, warned China against the reported intent to follow its abrupt announcement of an air defense information zone (ADIZ) over the disputed region of the East China Sea with a similar zone over the disputed South China Sea. The United States, Japan, the Philippines, and Australia registered strong public opposition to this purported Chinese move.

In January, a decision by Chinese authorities in Hainan Province responsible for South China Sea matters received international attention as it called for implementing regulations on enforcement of China's jurisdiction over vessels using disputed waters in the South China Sea. The decision raised concerns over a confrontation that might start with Filipino, Vietnamese, or other fishing boats accustomed to using these waters and included powers with a strong interest in stability and freedom of navigation, notably the United States. A Chinese provincial official disclosed in March that Chinese authorities implementing the decision have been confronting and if necessary apprehending foreign boats "if not every day at least once a week." The decision was condemned as "provocative and potentially dangerous" by the US State Department spokesperson on Jan. 9. It also was criticized by Japan, the Philippines, Vietnam, and Taiwan. Official Chinese commentary responded by attacking the US intervention and warning against a nefarious US "agenda" against Chinese interests in the South China Sea.

US congressional hearings since January have shown a rising chorus in the US Congress and supportive media for a tougher US posture to deal with perceived Chinese “salami slicing” tactics being used to advance control of territory in the South China Sea and other disputed areas along China’s rim. President Obama and his administration were called on repeatedly to show greater resolve and to define a strategy and tactics to deal with Chinese intimidation and coercion short of using direct military force to advance China’s control of territory in ways seen detrimental to US interests in regional stability, freedom of navigation, and support for allies and friends in the region. The hearings provided venues for leading administration officials to adopt a tougher rhetorical stance against Chinese practices in the South China Sea as well as in the disputed East China Sea. Meanwhile, US officials registered their firmer resolve in other venues, including visits to Southeast Asia and China. The Chinese response has been negative and carefully measured. Chinese top leaders, like President Obama, generally have eschewed criticizing each other over South China Sea issues, leaving the tasks to subordinates.

Late January began what has developed into a carefully orchestrated effort by US officials responsible for regional affairs to push back against Chinese assertiveness in the South China Sea and other disputed regions. National Security Council Asia Director Evan Medeiros told the Japanese news agency *Kyodo* on Jan. 31 that US opposition to China declaring an ADIZ over the disputed South China Sea, following Beijing’s abruptly announced ADIZ over the disputed East China Sea in November, could involve “changes in our presence and military posture in the region.” The US State Department spokesperson the same day reinforced Medeiros’ stance against a Chinese ADIZ in the South China Sea.

In congressional testimony on Feb. 5, Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel advanced US criticism of a long list of recent Chinese provocations in dealings with the Philippines and Japan in disputes over islands in the South China Sea and the East China Sea. He capped his indictment with the first explicit US official rebuke of China’s broad and vaguely defined claims to most of the South China Sea based on historical interaction and a “nine-dash line” shown in Chinese maps. He said, “Under international law, maritime claims in the South China Sea must be derived from land features. Any use of the ‘nine-dash line’ by China to claim maritime rights not based on claimed land features would be inconsistent with international law. The international community would welcome China to clarify or adjust the nine-dash claim to bring it in accordance with the international law of the sea.” Russel endorsed the Philippine decision to pursue an arbitration case under the UN Convention on the Law of the Sea on the legality of China’s claim to the South China Sea, which has been sharply criticized by China. Russel highlighted the strengthening of US alliances and security relationships with partners like the Philippines as an essential means to maintain stability amid recent controversies he saw caused mainly by China.

Secretary Kerry set the stage for his visit to Asia in February and that of President Obama in April with a cordial meeting with the Japanese foreign minister in Washington on Feb. 7. He took special aim against “China’s attempt to change the status quo by coercion and intimidation in the Senkaku Islands and the South China Sea,” highlighting common Japan-US resolve in dealing with Chinese actions.

Concurrent developments in China-Southeast Asian relations added to Chinese frictions with Southeast Asian neighbors and concerned powers led by the United States. The Japanese newspaper *Asahi* reported Jan. 31 on Chinese military preparations to establish an ADIZ in the South China Sea, a report later denied by the Chinese Defense Ministry spokesperson. Also in late January, Philippine officials told the media that Philippine fishermen had returned to disputed Scarborough Shoal despite the newly enforced Chinese fishing regulations and Chinese maritime security ships having excluded them from the area since 2012. However, the officials in February followed up with reports to the media that Chinese Coast Guard forces were harassing the fishermen in the area, with an instance on Jan. 27 where a Chinese ship used its water cannon to drive away Philippine boats. The water cannon incident prompted formal Philippines protests and Chinese rebuttals.

Targeting Chinese bullying, Philippine President Benigno Aquino told the *New York Times* on Feb. 4 that Chinese demands and advances requiring surrender of territory piecemeal mimicked those of Adolf Hitler's Germany prior to World War II and he called for stronger international support. Philippine media disclosed that the outburst signaled Aquino's rejection of an alleged clandestine overture from China promising access to Scarborough Shoal and other benefits in return for the Philippines dropping its arbitration case under UNCLOS on the legality of China's claims in the South China Sea. Chinese officials and commentary denied the Philippine reports and rebuked Aquino for his "senseless attack" on China.

In a related move, the US chief of naval operations visiting Manila for ongoing US efforts to strengthen military ties told an audience at the Philippines National Defense College on Feb. 13 that the US will "help" the Philippines in the event that China occupies disputed islands in the South China Sea. Adm. Jonathan Greenert also stressed that the US would honor its mutual defense treaty with the Philippines amid the territorial conflict with China. The remarks were seen in the Philippines as the strongest public US declaration of support for the Philippines regarding the disputed South China Sea since tensions rose in 2012. Greenert's remarks prompted a detailed rebuttal by China's foreign ministry spokesperson.

The scope of regional frictions broadened with the patrol in January and February of a PLA Navy amphibious landing ship and two destroyers that traversed the South China Sea, navigating around Java and passing to the east of the Philippines, before returning to China. The warships stopped at James Shoal, an area 50 miles from Malaysia and within that country's Exclusive Economic Zone, where the sailors reaffirmed determination to protect Chinese sovereignty over this Chinese claimed territory. At first Malaysian officials denied knowledge of the Chinese action, which was reported in official Chinese media. Later reports said that Malaysian officials were concerned and were taking steps to build closer ties with other South China Sea disputants, the Philippines and Vietnam. Using language seen unfavorable to China, the Malaysian prime minister joined President Obama in a formal statement marking the US president's visit on April 27 that affirmed common principles in dealing with South China Sea disputes including support for international arbitration and the principles of the UNCLOS and opposition to use of force, intimidation, or coercion.

Adding to the list of recent Chinese advances, Philippine officials told the media in February that four Chinese Coast Guard ships had returned to Second Thomas Shoal, another area claimed by

the Philippines but disputed by China, after an absence of several months. They expelled Philippine fishing boats and on March 9 they blocked civilian ships attempting to resupply a small group of Philippine Marines occupying a grounded Philippine Navy vessel on the shoal.

Strongly worded protests by the Chinese Foreign Ministry spokesperson and Philippines officials over the standoff on supplying the marines were accompanied by air drops and maneuvers by Philippine supply ships to complete the resupply effort. The US State Department spokesperson condemned the Chinese blocking of the resupply ships as a provocative move that raises tensions. The Chinese Foreign Ministry spokesperson condemned the US action and charged the United States was “taking sides in the dispute.” The level of tension over Second Thomas Shoal seemed high when Chinese Foreign Ministry spokesman Hong Lei affirmed on March 29 that “I want to stress that the Chinese side will absolutely not allow the Philippine side to invade and occupy the ... reef in any form.”

The Philippines’ submission on March 30 of its 4,000 page Memorial to the Permanent Court of Arbitration at The Hague detailing arguments on the merits of its case at odds with Chinese claims in the South China Sea prompted measured official commentary from China explaining why Beijing will neither accept nor participate in the process. The Chinese Embassy in Manila on April 3 issued a long statement in defense of China’s position and against the Philippines’ stance, but senior Chinese officials generally avoided comment or other attention to the move. The US State Department spokesperson promptly supported the move.

During his early April meetings with ASEAN defense ministers in Hawaii and later travels to China and other Asian stops, Secretary Hagel was forthright in opposing intimidation and coercion over South China Sea disputes, earning rebukes from Chinese counterparts. Chinese Central Military Commission Vice Chairman Fan Changlong told the media at his meeting with Hagel that the defense secretary’s remarks in the ASEAN meeting and in Asia were “tough” and that China was “dissatisfied” with them. Nonetheless, Hagel capped his China visit with a meeting with President Xi Jinping that Chinese official media reported without negative comment on differences.

Reactions by other Southeast Asian governments, ASEAN

In a Senate Foreign Relations Committee hearing on April 3, Assistant Secretary Russel advised that alarm in Asia over Russia’s annexation of Crimea has raised regional concerns over Chinese advances that “appear to presage a more muscular approach” to South China Sea and other disputes. Thus far, with the notable exception of the Philippines, public actions by Southeast Asian governments at odds with China’s recent assertiveness have been limited.

In this reporting period, Vietnam sustained high-level interchange with China and avoided explicit support for the Philippines on most disputed issues. It did criticize the Chinese fishing regulations but avoided comment on reports of a Chinese ship attacking Vietnamese fishing boats in March. In February, Vietnamese demonstrators attempting to mark the anniversary of China’s 1979 invasion of Vietnam were thwarted by aerobics enthusiasts and ballroom dancers allegedly organized by Hanoi authorities to impede access to a famous patriotic shrine in Hanoi.

Malaysian concern over the Chinese military demonstration at James Shoal in January reportedly reinforced Malaysia's decision to join with other South China Sea claimants the Philippines and Vietnam in Manila in February to coordinate policy regarding Chinese actions in the South China Sea. South China Sea claimant Brunei failed to send representatives to the meeting, despite originally agreeing to attend, according to Philippine media. At the meeting, the officials reportedly agreed to reject China's "nine-dash-line" claim, push for an early conclusion of negotiations for a binding code of conduct in the South China Sea, and ask Brunei to join in follow-up meetings. Malaysian concern with China in the South China Sea was also registered in the treatment of South China Sea issues in the joint US-Malaysian statement of April 27.

In the context of Chinese Navy patrols asserting Chinese sovereignty in nearby waters and China's vocal and broad South China Sea claims seemingly involving Indonesian territory within its "nine-dashed-line," Indonesian officials broke with the longstanding practice of avoiding public discussion on possible territorial disputes with China. In March, Indonesian officials said that China's claims overlap with Indonesia's Riau province, which includes the energy-rich Natuna Islands chain. The significance of the shift remains to be seen. Indonesia for years has sought in vain to get reassurance that, despite China's "nine-dashed-line claims," Beijing accepts Indonesia's claims to the territory in question based on UNCLOS. In the past, Indonesia had positioned itself as an independent mediator in South China Sea disputes. It now has publicly acknowledged that China is claiming a segment of Indonesia's Riau province as a result of Beijing's "nine-dash line" claim. The Indonesian defense minister in a commentary in the *Wall Street Journal* on April 24 highlighted the dispute with China and the need for Indonesia to increase military preparations to defend its territory.

In an interview in April, Singapore Prime Minister Lee Hsien Loong reaffirmed that Singapore would not take sides in the South China Sea disputes and that the disputes should be resolved peacefully, in accordance with international laws including UNCLOS. Lee highlighted ASEAN's role in helping to manage tensions over territorial disputes. ASEAN foreign ministers issued a statement affirming previously agreed principles on dealing with South China Sea matters that prompted the Chinese Foreign Ministry spokesperson on Jan. 21 to reaffirm China's "indisputable sovereignty" over South China Sea territories and Beijing's willingness to resolve disputes through negotiations.

Lee was asked about progress in the protracted ASEAN-China discussions to establish a code of conduct among disputants in the South China Sea; a round of discussions took place in Singapore in March. In response to a question about whether China was interested in concluding agreement on a proposed code, he advised that the discussions are "still at an early stage"; they are "preliminary discussions." In contrast, *Xinhua* reviewed in very positive terms the results of senior China-ASEAN officials meeting in Thailand during late April with an observation that Chinese and ASEAN officials "welcomed" unspecified results achieved at the March discussion in Singapore.

The search for MH 370 and Chinese-Malaysian relations

The unprecedented international efforts to locate the missing Malaysian airliner and account for its 227 occupants, including 153 Chinese nationals, were accompanied by developments that had

a negative impact on China's relations with Malaysia. Chinese officials and media pressed the Malaysian authorities repeatedly. The government commentary criticized Kuala Lumpur, with the Chinese Foreign Ministry releasing a statement calling on "the Malaysian side to step up their efforts to speed up the investigation and provide accurate information to China in a timely fashion." On March 25 and again on April 25, Chinese relatives of those on board demonstrated in front of the Malaysian Embassy in Beijing expressing frustration with the Malaysian government handling of the issue. The demonstrations received supportive and positive attention in official Chinese media. Concurrently, the media in March highlighted President Xi Jinping interrupting his deliberations at the Nuclear Security Summit in The Hague to appoint a special envoy to go to Malaysia to press for more action. It also highlighted Prime Minister Li Keqiang's urging Kuala Lumpur "to provide more accurate and detailed information." Chinese social media and widespread commentary by Chinese entertainers and celebrities were very critical of Malaysia. Official Chinese media highlighted a large drop in planned Chinese tourist visits to Malaysia; tourists from China are Malaysia's third largest tourist group. The media reported Chinese passengers' widespread refusal to use Malaysian Airlines. On March 25, Malaysian officials pushed back against the Chinese pressure, pointing to Chinese data that misdirected initial search efforts to the South China Sea. Malaysian social media were full of comments condemning Chinese self-absorbed arrogance in dealing with Malaysia over the tragedy. Yet, Malaysian leaders remained reluctant to escalate public tensions with China over the dispute.

Chronology of China-Southeast Asia Relations January – April 2014

Jan. 3, 2014: First meeting of China-Cambodia Intergovernmental Coordination Committee is held in Beijing with Chinese State Councilor Yang Jiechi and Cambodia Deputy Prime Minister and Minister of Foreign Affairs Hor Namhong as co-chairs. They agree to deepen cooperation in economics and trade, agriculture, defense, law enforcement and cultural exchanges.

Jan. 21, 2014: Chinese media reports that Hainan province and the city of Sansha will set up new civilian patrols in the South China Sea. The intent is to "safeguard national sovereign rights and benefits, develop at-sea assistance, [and] ensure navigational safety."

Jan. 27, 2014: Chinese Coast Guard ships fire water cannons at Filipino fishermen near the disputed Scarborough Shoal, prompting official protests from Manila.

Jan. 29, 2014: Malaysian officials dismiss media reports of Chinese ships patrolling in the James Shoal, which lies in Malaysia's exclusive economic zone in the South China Sea.

Jan. 30, 2014: Chinese State Councilor Yang Jiechi and Vietnamese Vice Prime Minister Pham Binh Minh exchange ideas over the phone on improving bilateral ties as part of the preparatory work for forthcoming seventh meeting of the Guiding Committee for China-Vietnam Bilateral Cooperation.

Feb. 7, 2014: China and the Philippines trade remarks over the territorial disputes in the South China Sea after President Benigno Aquino III compares the Philippines to Czechoslovakia facing

territorial expansion by Nazi Germany in an interview with the *New York Times*. Chinese officials express dissatisfaction and respond that the comparison is unreasonable.

Feb. 11-21, 2014: Seventeen Chinese soldiers take part in the *Cobra Gold* exercise in northern Thailand, joining soldiers from six other countries in humanitarian exercises led by the US.

Feb. 13, 2014: Philippines announces it will pursue the arbitration case with the International Tribunal on the Law of the Sea to help settle its South China Sea territorial and maritime disputes with China.

Feb. 18, 2014: Officials from the Philippines, Malaysia, and Vietnam meet in Manila to coordinate policy regarding Chinese activities in the South China Sea. Fellow claimant Brunei fails to send representatives to the meeting, despite originally agreeing to attend.

Feb. 25, 2014: Philippines summons China's ambassador to Manila over allegations that a Chinese surveillance ship fired water cannons at Philippine fishing vessels near Scarborough Shoal. China dismisses the protest, saying its sovereignty in the area is "indisputable."

Feb. 27, 2014: China agrees to offer a \$2 billion loan to Myanmar to help build the "Myanmar-China Corridor," a new transportation route that would facilitate bilateral trade.

Feb. 27, 2014: China and Vietnam agree to set up a direct phone line between their defense ministries to help build communication and trust between the two militaries. They announce that the phone line will be operational within the year.

March 8, 2014: Malaysian Airlines flight 370 en route to Beijing goes missing shortly after its departure from Kuala Lumpur. A majority of the passengers on board are Chinese nationals.

March 9, 2014: Chinese Coast Guard vessels prevent two ships contracted by the Philippine Navy to deliver supplies and replacement troops to a Philippine outpost on the Second Thomas Shoal (Philippines: Ayungin Shoal, China: Ren'ai Reef), claiming the ships were carrying construction materials in violation of the 2002 Declaration on Conduct in the South China Sea.

March 10, 2014: Philippines airdrop supplies to soldiers stationed on Second Thomas Shoal.

March 11, 2014: Philippines summons Charge d'affaires from Chinese Embassy in Manila to protest blockade of its ships attempting to deliver supplies to soldiers on Second Thomas Shoal, saying that it had "no plans to expand or build permanent structures on the shoal."

March 12, 2014: A senior Indonesian military official publicly states that China's claim to the Natuna waters as part of Beijing's "nine-dash line" is arbitrary and insists that the Natuna Islands and the surrounding waters are part of Indonesia's sovereign territory.

March 17, 2014: Deputy Chief of the General Staff of the People's Liberation Army Sun Jianguo visits Phnom Penh and meets Gen. Pol Saroeun, commander in chief of the Royal Cambodian Armed Forces. They agree to deepen cooperation between the two armed forces and enhance the bilateral partnership with more frequent exchanges by senior military officials.

March 18, 2014: ASEAN and Chinese officials meet in Singapore for the 10th meeting of the Joint Working Group on the South China Sea. The talks seek to establish a code of conduct aimed at managing and reducing tensions in the South China Sea.

March 28-April 3, 2014: Ships from 17 nations including all 10 ASEAN members, China, India, Japan, New Zealand, Russia, South Korea, and the US participate in the biannual humanitarian assistance and disaster relief *Exercise Komodo* in Indonesian waters around the Natuna Islands.

April 11, 2014: Chinese President Xi Jinping meets Speaker of the Myanmar Parliament Thura U Shwe in Beijing. Xi expresses support for Myanmar's rotating chairmanship in ASEAN and pledges to work with Myanmar to strengthen regional cooperation.

April 18, 2014: Chinese Ministry of Foreign Affairs confirms media reports of violence on the China-Vietnam border. According to the *New York Times*, the incident involves several casualties, including five Chinese civilians and two Vietnamese border guards, during a clash between Vietnamese border guards and Chinese nationals attempting to illegally enter Vietnam.

April 19, 2014: The second meeting of the China-ASEAN ministers responsible for culture and arts and the sixth meeting of ASEAN cultural ministers are held in Hue, Vietnam. The ministers discuss an action plan to deepen cultural exchanges in the region.

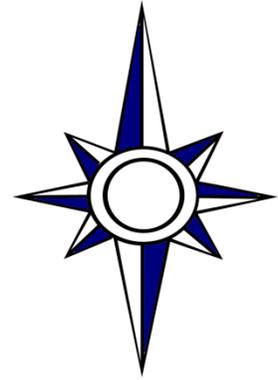
April 21-22, 2014: People's Liberation Army Navy (PLAN) hosts the 14th annual meeting of the Western Pacific Naval Symposium in Qingdao, China. Member states endorse the Code for Unalerted Encounters at Sea (CUES), a navy-to-navy system communication system to reduce misunderstandings and avoid maritime accidents.

April 22, 2014: Senior Chinese and ASEAN officials meet in Thailand to discuss disaster relief, search and rescue, and humanitarian assistance as part of the China-ASEAN Maritime Cooperation Partnership. Chinese Vice Foreign Minister Liu Zhenmin agrees to enhance maritime and security cooperation in the South China Sea and to implement the Declaration on the Conduct of Parties in the South China Sea. Liu also proposes institutionalizing the China-ASEAN Defense Ministers' Meeting and suggests that an informal gathering of regional defense chiefs to take place later this year to discuss maritime cooperation.

April 24, 2014: In a commentary in the *Wall Street Journal*, Indonesia's defense minister says that Indonesia is "dismayed" that China has included Indonesian territory within its nine-dash-line claim to the South China Sea and is strengthening military forces to protect its territory.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



China-Taiwan Relations: A Breakthrough and a Deadlock

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In February, officials from Beijing and Taiwan met publicly in their official capacities for the first time since 1949. Both sides characterized this breakthrough as a step forward in cross-strait relations. However in Taipei, partisan maneuvering in committee and an unprecedented occupation of the Legislative Yuan (LY) by students created a deadlock blocking LY approval of the Cross-Strait Service Trade Agreement (CSSTA) concluded last June. While Beijing and Taipei have tried to maintain progress, these domestic developments in Taiwan represent a serious challenge both for President Ma and Beijing.

Wang-Zhang meeting

In a milestone in cross-strait relations, Mainland Affairs Council (MAC) Minister Wang Yu-chi visited Nanjing and Shanghai on Feb. 11-14. He met Taiwan Affairs Office (TAO) Director Zhang Zhijun in Nanjing on Feb. 11 and in Shanghai on Feb. 13. The symbolism of the visit was perhaps more important than the substance: the highest-level meeting between officials of the two sides, the first visit to China by a sitting MAC chairman, Wang and Zhang addressed each other by their official titles, and China's official *Xinhua News Agency* referred to "the Taiwan side's Mainland Affairs Council," though it did not use either the term "Republic of China (ROC)," which is part of the MAC'S official name, or Wang's official title of "minister."

With rumors about secret deals between Taipei and Beijing in Taiwan's media, Wang Yu-chi briefed LY members on plans for his visit on Jan. 10 and Jan. 27. The LY took an unusual step on Jan. 14 by passing a resolution forbidding Wang from endorsing any document mentioning Beijing's "one China framework" or its opposition to Taiwanese independence, and from discussing "one China" or a peace agreement. The Ma administration has consistently avoided discussing these topics, though they have been raised recently in Track 2 discussions. Wang was also required to debrief the LY following the trip.

The visit was formally announced on Jan. 28. In a press briefing, Wang Yu-chi said his goals were to promote interaction between MAC and TAO and to deepen mutual understanding. Specific issues for discussion included a "communication mechanism" between MAC and TAO, Straits Exchange Foundation (SEF) and Association for Relations Across the Taiwan Straits (ARATS) representative offices, Taiwan's participation in regional economic integration, and medical insurance for exchange students. In a shift from its previous focus on a "one China framework" for cross-strait interaction, the TAO announced that the visit would be made on the basis of trust developed under the "1992 Consensus."

The reported substance of the meeting on Feb. 11 closely followed Wang's Jan. 28 briefing. Wang and Zhang agreed to establish a communications mechanism between MAC and TAO, which Wang defined as direct telephone calls between "cross-strait officials at equal levels of authority." Wang reported that he pushed for humanitarian visits to detainees by officers of the yet to be established SEF and ARATS representative offices, but that further communication was necessary. Zhang suggested allowing media outlets to set up permanent offices in each other's territory, which is ironic as Beijing blocked reporters from *Radio Free Asia* and Taiwan's *Apple Daily* from entering China to report on the meeting. Wang responded by noting Taiwan's interest in an equal flow of information between the two sides.

The TAO reported that Zhang urged passage of the CSSTA, and looked forward to concluding the Merchandise Trade Agreement (MTA) and other Economic Cooperation Framework Agreement (ECFA) follow-up talks. Wang expressed Taiwan's desire to join the Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP), and said that if the two sides can approach regional integration together, support in Taiwan for ECFA follow-up negotiations will be greater. Wang invited Zhang to visit Taiwan, to which Zhang responded positively.

On Feb. 12, Wang visited Sun Yat-sen's mausoleum and noted that the Republic of China "has been in existence for 103 years." Mainland media reported the visit but not this remark, and a TAO spokesman avoided mentioning it in a press conference. In a speech at Nanjing University, Wang did not use the term ROC, but made several references to Taiwan's democratic government and called for increased exchanges among young people. Wang referred to the "revitalization of the Chinese ethnic group (or nation 中华民族)" which has been promoted by Xi Jinping. He said that Taiwan has maintained traditional Chinese culture, and that the people of Taiwan hope that the renaissance of Chinese culture will not be focused on military power, that it will build a prosperous society, and have a positive impact on the world.

In Shanghai on Feb. 13, Wang met Chinese scholars and some local Taiwanese organizations, and once again met Zhang Zhijun. While the topic of a Ma-Xi meeting had not come up in Nanjing, it was raised in Shanghai with each side reportedly stating their existing positions. After returning to Taiwan, Wang said Zhang brought it up, and that Wang referred to Ma as the "president" in this conversation.

The visit pleased both sides. Xi Jinping told Lien Chan on Feb. 18 that the meeting was "significant," and the TAO called it "an important step." Underlining this approval, on Feb. 27, ARATS Chairman Chen Deming met Wang Yu-chi in Taipei and greeted him as "Minister Wang," and *Xinhua* again referred to Wang as the responsible person on the Taiwan side's "Mainland Affairs Council." Ma Ying-jeou had said earlier it would be important and a first step toward mutual non-denial of each side's jurisdiction.

Elsewhere, reaction to the visit was generally positive as well. MAC polling, both before and after the visit, showed that over 60 percent of respondents supported it and direct government-to-government contacts. Democratic Progressive Party (DPP) Chair Su Tseng-chang said that Wang and Zhang's use of titles was "a kind of progress," but noted that the discussions did not focus on the DPP's priorities. Tsai Ing-wen, the presumptive next chair of the DPP, claimed, "the

Taiwanese people's anxiety over future cross-strait relations appears to have risen after the meeting." She emphasized the Chinese media's failure to use Wang's official title or the term "Republic of China."

Prior to this meeting, Beijing had insisted that all meetings between officials be under the unofficial ARATS-SEF umbrella. With this meeting and plans for continued MAC-TAO interaction, it can be inferred that Beijing is acknowledging, at least tacitly, the Taipei government's jurisdiction over its territory and people. However, acknowledging the sovereignty of the "ROC" is something Beijing did not do and is not likely to do in the foreseeable future.

Prospects for a Ma-Xi meeting

Both sides referred to a possible future meeting between Ma Ying-jeou and Xi Jinping in the months before the Wang-Zhang meeting, with Ma himself saying on Jan. 27 that he hoped conditions would enable such a meeting as soon as possible. Wang Yu-chi and others repeatedly said that the 2014 APEC Economic Leaders Meeting, to be held in Beijing, is the best place for such a meeting, as participants represent "economies" rather than "states" and issues of sovereignty and titles could be skirted. However, the Foreign Ministry in Beijing made clear Beijing's position that the APEC meeting would not be an appropriate venue. In early March Zhang Zhijun, his deputy Sun Yafu, and ARATS director Chen Deming made comments suggesting that a meeting could take place in a third territory. MAC officials continued to argue that APEC was the best location, but Zhang Zhijun was dismissive: "we should find another place," he told reporters in Beijing.

Xi's Chinese dream

Xi Jinping, in his capacity as party general secretary, met Kuomintang (KMT) honorary chairman Lien Chan in Beijing on Feb. 18. Xi used the occasion to make an important statement of his views on cross-strait relations under the title "The Chinese Dream of Jointly Completing the Great Rejuvenation of the Chinese Nation." Xi elaborated on why he frequently speaks of "the two sides of the straits being one family" citing the usual themes of common blood and shared culture. He also said the mainland respects the lifestyle and social system that Taiwan's people have chosen for themselves. He expressed confidence that by working together they could overcome obstacles to the peaceful development of cross-strait relations. He cited the history of how China had overcome its weakness since the late 19th century and recounted that, as a colony of Japan, Taiwanese had shared in the past period of humiliation. This means, he said, that Taiwan's future is closely linked to the Chinese rejuvenation dream. While one can question the accuracy of Xi's views about Taiwan, it is important to understand how he thinks, and experts have said that this statement reflected his personal views.

Xi told Lien that cross-strait ties can be improved on the basis of the "1992 Consensus," and shared opposition to Taiwan independence and can be deepened by reaching a shared understanding of the "one China Framework." Lien told Xi that when the two sides talk about the "one China framework," it should be understood that Taiwan is referring to the Republic of

China. Xi also indicated he will not hold a grudge against DPP figures who are now “willing to promote peaceful development of cross-strait relations.”

Cross-Strait Service Trade Agreement

Legislative Yuan approval of the Cross-Strait Service Trade Agreement (CSSTA) is a high priority for the Ma administration. Blocking the agreement is an equally high priority for the DPP. In December, LY Speaker Wang Jin-pyng had announced that committee consideration would not begin until the agreed series of hearings were completed. Although the LY session began in February, consideration of the agreement could not begin because the last hearing, arranged by the DPP, was scheduled for March 11. The article-by-article review of the agreement was to begin in committee on March 12. However, the DPP co-convenor of the committee and opposition legislators used a variety of tactics to try to control committee consideration, with the result that no progress was made. Outside the LY, student and others demonstrated daily against the agreement. When obstruction continued the following week, the KMT co-convenor of the committee, unable to conduct the review, unilaterally declared March 17 that committee work was concluded and that the agreement would be sent to the LY plenary.

Sunflower student movement

The KMT chairman’s action became the spark for unprecedented action by students. On the evening of March 18, students climbed over the walls of the LY and occupied the LY chamber, piling chairs against the doors to prevent others from entering. That night, Secretary-General of the LY Lin Hsi-shan asked that the police be authorized to remove the students, provided that no legislators were harmed. By the time the police arrived, some DPP legislators were present outside the LY guarding the doors, and in the end, the police wisely gave up the attempt to remove the students. Later on March 18, Speaker Wang announced that the students would not be forcibly removed. Their occupation of the LY chamber was to continue for 24 days.

Various attempts were made to persuade the students to leave. However, things got worse when a group of students tried on March 23 to occupy the Executive Yuan office building. This time, the police were promptly authorized and acted swiftly, with some injuries but no deaths, to remove the demonstrators from the EY. A few days later the student leaders announced four demands: adoption of a bill for oversight of cross-strait agreements, postponement of consideration of the CSSTA until after the oversight bill was passed, withdrawal of the current CSSTA from consideration and convening of a constitutional convention to consider political reforms. President Ma promptly addressed these conditions: The government would agree to pass an oversight bill, but would not withdraw the CSSTA, which should be considered in tandem with the oversight bill. The government would convene an economic conference rather than one on constitutional issues. The students rejected Ma’s response and on March 30, a demonstration supporting the students brought, by police estimates, over 100,000 people to the streets in front of the Presidential Office.

On April 6, Speaker Wang went to the LY chamber to meet the students. Without consultation with the government, Wang promised the students that the LY would adopt an oversight bill before beginning a thorough review of the CSSTA. The students saw this as a sign of sincerity

and decided that after a few more days, they would leave the LY. On April 10, the students fulfilled this by peacefully departing.

Understanding what motivated the students and drew public support is important to assessing the Sunflower movement's implications for cross-strait relations. While the movement involved a complex web of interests, some points can be made. It was the government's handling of the CSSTA that was the fuse that ignited the demonstrations and occupation. The students said, with some reason, that the agreement was negotiated in secret, in a "black box," that the government was unwilling to consider amendments to the CSSTA, and that the KMT convener had improperly sent it to plenary before allowing it to be reviewed. While the DPP objected to many aspects of the CSSTA and the students had conducted study sessions on the agreement while occupying the LY, their objections were much more about procedure than contents. The CSSTA would open new opportunities for Taiwan's relatively competitive service industries in China at a time when China's reform plan envisages opening the service sector, and it would provide opportunities for additional Chinese investment in Taiwan's service sector, with the accompanying domestic jobs. However, to the extent that the content of the CSSTA was an issue, the students and opposition party have focused almost exclusively on the potential risks the CSSTA poses to Taiwan's domestic service providers and security.

The students' motivations were twofold. First, they criticized a government that was seen as "arrogant," non-transparent ("black"), and unresponsive to public concerns. A deep distrust of government, President Ma, the KMT and DPP parties, big business, regulators, and generally figures in authority permeated the students' demands and slogans. This was reflected in the demand for an oversight bill, which should be passed first, and for a constitutional convention on overall political reform. One oft-mentioned slogan – "When dictatorship is a fact, revolution is a duty" – captures the reason why the extraordinary step of occupying the democratically elected legislature seemed justified to the students, and to opposition leaders, as an action to defend democracy.

Second, opposition to the CSSTA seemed to symbolize the anxiety that a considerable segment of a divided society feels about the pace and direction of President Ma's policy toward Beijing. Many young people and others see relations on a slippery slope leading toward eventual unification. The government's lack of transparency fuels suspicions of Ma's intentions. Some saw the demonstrations as anti-China. To the extent the slogans and placards were about cross-strait relations, they focused on protecting Taiwan and preserving its freedoms, and it was this that seems to be behind the broad public support, though how broad is hard to gauge. In expressing concern about Ma's cross-strait policy, the students were reflecting rather than changing public opinion.

What was the relationship between the students and the DPP? It is best to see the Sunflower movement as an independent civil society action. The students and the opposition shared certain views and goals. The main leaders were students who had been involved over two years in a series of other demonstrations against a wide variety of government actions unrelated to cross-strait relations, such as the Alliance Against Media Monopoly, the expropriation of aboriginal land, and the illegal construction of wind turbines in Miaoli. The students were seasoned activists. When they occupied the LY, DPP legislators helped protect them, the party endorsed

their action, Chairman Su called on the public to support them, DPP leaders showed up to support their brief occupation of the EY, and hailed their actions as in defense of democracy. Some of the student leaders and many of the professors who supported them had been engaged in DPP campaigns, particularly supporting Tsai Ing-wen. Nevertheless, the students acted autonomously and at times distanced themselves from the DPP and Taiwan Solidarity Union.

Speaker Wang played a central role in the events. His many feuds with President Ma were only intensified last fall when Ma tried unsuccessfully to expel him from the KMT and therewith also from his position as speaker. Last year, Wang had facilitated the DPP's tactics to force the government to accept article-by-article review of the CSSTA by the LY. He announced early on that the students would not be evicted. When President Ma called a meeting March 21 to decide how to handle the occupation, Wang refused to participate. Then, without consulting his own party, Wang declared the oversight bill would be considered first. At each step, Wang acted in ways that benefited the DPP. Ma and Wang's deep differences help explain why the governing majority party has been unsuccessful in gaining LY approval of the CSSTA. Wang undoubtedly felt vindicated when the Taipei District Court concluded on March 19 that the KMT had acted illegally in revoking his party membership.

Following the students' withdrawal, action in the LY shifted to the oversight bill, with several drafts from the government, opposition, and students to be considered. Again partisan maneuvering in the same LY committee prevented any consideration of the various drafts. Meanwhile, the consideration of the CSSTA has been suspended. Premier Jiang stated in late April that there is no deadline for approval of it.

Beijing's perspective

Beijing wisely said little during the student actions. The TAO spokesman has highlighted the CSSTA's benefits for Taiwan. TAO Minister Zhang reportedly told Taiwan visitors in late March that he was confused and concerned about the delay of the CSSTA. When rumors surfaced in the Taipei press that Beijing was open to renegotiating the CSSTA, the TAO twice refuted these rumors saying there was no precedent for a renegotiation and that as the SEF and ARTS had been authorized to negotiate the agreement, it should be implemented as is.

As expected, the propaganda bureaucracy blocked reporting on the students' occupation of the LY in Chinese media. Also, these events were not a significant topic on *Weibo*. Consequently, few in China know the story. Anecdotal information indicates that scholars in Beijing who follow Taiwan developments believe that the student movement was manipulated by the DPP.

During the occupation of the LY, the TAO announced that the planned return visit of Minister Zhang to Taiwan would be postponed. Nevertheless, Beijing and Taipei have continued meetings on other agreements. In late April, in hints of Beijing's response to the student movement, Zhang said that Beijing would listen to different voices and redouble efforts to consult sincerely and patiently to overcome difficulties.

Cross-strait developments

Now-normal interactions between SEF and ARATS continued among the high-profile theatrics of the Wang-Zhang meeting and Sunflower protests. A SEF-ARATS review meeting on Feb. 20-21 resulted in agreement to improve the implementation of nine of the 19 existing cross-strait pacts including those on food safety and crime fighting, which the DPP had asked to be discussed in the Wang-Zhang talks. At this meeting Beijing reportedly agreed to consider allowing mainland tourists to make transit stops in Taiwan en route to a third destination; this would boost Taiwan's plan to turn the Taoyuan airport into a regional hub.

The 10th SEF-ARATS meeting took place in Taipei on Feb. 26-27 and resulted in the 20th and 21st cross-strait agreements, on meteorology and seismic monitoring. The two sides agreed that the 11th meeting, in the second half of 2014, would address the Merchandise Trade Agreement (MTA), a dispute resolution mechanism, investment protection, flight safety standards, and a tax agreement. Negotiations on the tax agreement are almost completed, but SEF announced that it planned to communicate with the public on concerns about the agreement.

The fifth round of negotiations on the establishment of reciprocal SEF-ARATS representative offices was held on March 20-22. Wang Yu-chi announced that China had finally agreed to allow SEF officers to visit Taiwanese detained in the mainland, though the details remain to be worked out. This is a potential major breakthrough that could pave the way to a formal agreement on the offices.

While the occupation of the LY and the uncertain fate of the CSSTA do not seem to have dulled Beijing's enthusiasm for new agreements, continued delay of the CSSTA will have some spillover effects. At the 14th public hearing on the MTA in late March, a MAC vice minister said that it would "not be feasible" to sign the agreement before the CSSTA is passed. He also noted that the scale of the merchandise agreement might be modest, in part because of the two sides' reluctance to open their markets to foreign agricultural goods and other items.

Regional economic integration

The Ma administration accelerated its rhetorical and organizing campaigns to join the TPP and RCEP. Membership is not sought primarily for dignity and international participation, but is a matter of economic survival. President Ma and other officials explained the need for Taiwan to join the agreements at every opportunity to domestic, Chinese, and international audiences, presenting the CSSTA as a necessary first step in its strategy. It has created an interagency task force to manage Taiwan's efforts to pursue liberalization. Former Vice President Vincent Siew is leading a committee of business leaders who will provide input and the government is seeking to establish Free Economic Pilot Zones to test liberalization measures. In an address to the American Chamber of Commerce in Taipei on March 11, Ma said that he had set a July deadline for the government to complete the necessary preparatory work.

Taiwan gained rhetorical support from the United States. Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel said in Senate testimony that the US welcomes Taiwan's interest in TPP, and Deputy Assistant Secretary of State Kin Moy added in testimony to the

House that the US is engaging Taiwan on economic liberalization initiatives. Taiwan media reported an anonymous official of the US Trade Representative on April 11, shortly after US-Taiwan talks under the Trade and Investment Framework Agreement (TIFA), saying that the United States welcomes Taiwan's interest, but emphasizing the high standards of liberalization that TPP is developing.

In his March 23 address to the nation on the CSSTA, President Ma said that failure to pass the CSSTA will "certainly affect" Taiwan's prospects for TPP and RCEP membership. While many observers including US officials have pointed out there is no direct connection between the CSSTA and TPP, there is an indirect relationship. Accession to both agreements will depend to some extent on political goodwill from China. While the CSSTA is something of a special case because it involves China, the protests reflect in part some reluctance to liberalize trade. Finally, a failure to ratify negotiated agreements will cause other nations to think twice before engaging Taiwan in serious negotiations.

DPP struggles to develop a China policy

On Jan. 9 the DPP released a provisional summary report of its 2014 China Policy Review, a milestone in the party's nearly yearlong effort to assess its China policy. While the tone was somewhat friendlier to China than previous statements, the report did not redefine policy in any substantial way. It did not reject current and future agreements between Taiwan and China, though it called for more monitoring and transparency, and it proposed increased interaction between civil society organizations and a more welcoming environment for Chinese visitors to Taiwan. Otherwise it was mostly defensive. As if to demonstrate, on Jan. 14 Su Tseng-chang compared cross-strait relations to a man and a seagull on the beach: if the man (China) pursued the seagull (Taiwan), the seagull would likely fly away.

From Beijing's view, the report was unsatisfactory as it upheld the DPP's 1999 [Resolution on Taiwan's Future](#), which the report said is accepted "by most of the people in Taiwan." Beijing equates the resolution with the pursuit of de jure independence, and a TAO spokesman criticized the report's adherence to "one country on each side of the Strait" and "Taiwan independence" perspectives.

Some new ideas were discussed during the review process, including Frank Hsieh Chang-ting's "two constitutions, different interpretations" and Ker Chien-ming's proposal to "freeze" the 1999 resolution, but these were not included in the report. Hsieh in particular was unhappy, noting that the DPP's own polls show that its approach to China enjoys little public support and that if the party "wants to return to power, it must change its China policy as soon as possible." Tsai Ing-wen's idea of seeking "internal consensus" was included as "the basis for cross-strait dialogue."

Shortly after the release of the report, former Minister of Finance Lin Chuan led a delegation of DPP figures who are close to Tsai to China to discuss economic issues, and former MAC Chairman Chen Ming-tong led a different group. The party's China Affairs Committee held another meeting on March 13, but it did not add anything new to the discussion.

On April 14, both Su Tseng-Chang and Frank Hsieh announced that they would not run in the May 25 election for the DPP chairmanship, leaving the door open for Tsai. There is pressure within the party to separate the chairmanship from the party's nominee for the January 2016 presidential election; rather than retreating, Su and Hsieh could be looking ahead to that contest.

Looking ahead

Opposition delay of the oversight bill will probably kill any possibility of LY consideration of the CSSTA during the current LY session. When it might subsequently be taken up is quite uncertain. Beijing will want to sustain forward momentum, but the deadlock has already delayed some cross-strait developments. How it will impact calculations about a possible Xi-Ma meeting remains uncertain. Beijing and Taipei will have to decide how to handle the negotiations over SEF/ARATS offices and the MTA. An oversight mechanism for the LY may create opportunities for one party or the other to frustrate cross-strait initiatives in the long term.

Chronology of China-Taiwan Relations January – April 2014

Jan. 3, 2014: Ministry of Economic Affairs (MOEA) Minister Chang Chia-Juch says Taipei prioritizes the Trans-Pacific Partnership (TPP).

Jan. 9, 2014: Democratic Progressive Party (DPP) releases China Affairs Committee (CAC) summary report.

Jan. 10, 2014: Taiwan Affairs Office (TAO) spokesman criticizes DPP report.

Jan. 10, 2014: Mainland Affairs Council (MAC) Chairman Wang Yu-chi briefs Legislative Yuan (LY) caucus heads on visit. DPP and Taiwan Solidarity Union (TSU) propose limiting conditions for the visit.

Jan. 10, 2014: Straits Exchange Foundation (SEF) announces resignation of Vice Chairman and Secretary General Kao Koong-lian.

Jan. 14, 2014: LY adopts resolution limiting MAC Chair Wang on his visit to the mainland.

Jan. 15, 2014: DPP's Lin Chuan leads a delegation to the mainland.

Jan. 15, 2014: TAO calls for Beijing-Taipei to uphold China's sovereignty over Diaoyoutai.

Jan. 18, 2014: DPP's Chen Ming-tung meets TAO Minister Zhang Zhijun.

Jan. 20, 2014: Bank of China's Taipei branch begins providing yuan cash to banks.

Jan. 22, 2014: Control Yuan report chastises government use of "Taiwan" over "ROC."

Jan 24, 2014: Third round of Japan-Taiwan fisheries talks are held and reach agreement allowing fishing boats from both sides to operate in overlapping waters in the East China Sea.

Jan. 28, 2014: MAC Chairman Wang holds a press conference about trip to Nanjing; TAO announces the visit.

Feb. 10, 2014: Taiwan Education Ministry publishes new guidelines for senior high history texts; DPP decries “de-Taiwanization.”

Feb. 11, 2014: MAC Chairman Wang and TAO Director Zhang meet in Nanjing.

Feb. 13, 2014: MAC Chairman Wang and TAO Director Zhang meet in Shanghai.

Feb. 17, 2014: Taiwan stages drill in area of the East China Sea where Taiwan’s and China’s air defense identification zones overlap.

Feb. 18, 2014: Lien Chan meets General Secretary Xi Jinping in Beijing.

Feb. 21, 2014: SEF-ARATS meeting reviews implementation of agreements.

Feb. 26, 2014: President Ma calls for a maritime code of conduct in the East China Sea.

Feb. 27, 2014: Tenth SEF-ARATS Meeting is held in Taipei.

March 6, 2014: Association for Relations Across the Taiwan Straits (ARATS) Chair Chen Deming says a third venue would be best for a Xi-Ma meeting.

March 12, 2014: LY Committee hearings on the Cross-Strait Services Trade Agreement (CSSTA) begin with no progress made.

March 17, 2014: Facing obstruction, Kuomintang (KMT) convener sends the CSSTA to LY plenary.

March 18, 2014: Sunflower movement students occupy the LY.

March 19, 2014: Taipei District Court rules Speaker Wang should retain KMT membership.

March 22, 2014: Premier Jiang Yi-huah meets with students outside LY.

March 23, 2014: Students occupy Executive Yuan (EY) led by “Black Island Nation Youth Front;” police evict students.

March 24, 2014: TAO Minister Zhang Zhijun postpones planned visit to Taiwan.

March 25, 2014: King Pu-tung becomes secretary-general of ROC National Security Council.

March 28, 2014: Premier Jiang says CSSTA should be returned to committee for review.

March 30, 2014: Students organize mass rally in front of presidential office.

April 1, 2014: Jiangsu and Fujian delegations postpone Taiwan visits.

April 1, 2014: TAO Minister receives Su Chi delegation, expresses concern about CSSTA.

April 3, 2014: EY releases draft of cross-strait agreements oversight bill.

April 3, 2014: DPP again obstructs resumed committee review of CSSTA.

April 6, 2014: Speaker Wang visits students in LY, says LY will pass oversight bill before taking up CSSTA.

April 7, 2014: US House of Representatives adopts HR3470 reaffirming Taiwan Relations Act and authorizing sale of frigates to Taiwan.

April 10, 2014: Students leave LY peacefully.

April 10, 2014: Vincent Siew meets Premier Li Keqiang at Boao Forum.

April 10, 2014: ROC Marines conduct exercise on Taiping Island.

April 11, 2014: TAO spokesman denies report that Beijing is willing to renegotiate CSSTA.

April 14, 2014: US Environmental Protection Agency Administrator Gina McCarthy meets President Ma; Beijing protests visit.

April 14, 2014: DPP obstructs LY committee hearing on oversight bill.

April 15, 2014: TAO spokesperson reiterates there no precedent for renegotiation of the CSSTA.

April 15, 2014: Ministry of Foreign Affairs announces that Taiwan has been invited to observe World Health Assembly for sixth time.

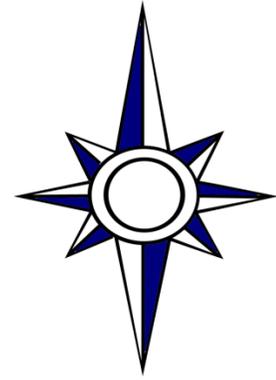
April 16, 2014: President Ma offers to debate DPP's Tsai on CSSTA; Tsai declines.

April 19, 2014: Japan breaks ground for radar site on Yonaguni Island.

April 20, 2014: Premier Jiang says there is no deadline for passage of CSSTA.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



South Korea-North Korea Relations: Sound and Fury

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The first third of 2014 was a peculiar time for inter-Korean relations. In the past, quite often months could go by when nothing much happened between the two Koreas. This was not like that. As this article and its accompanying chronology show, these four months were eventful, but also frustrating. Much was said and done, yet nothing lasting was achieved – except for a single round of family reunions, barely two months ago but already seeming remote in time. High-level talks were held and reached a three-point accord, but this too left no enduring trace.

Perhaps to yearn for progress is a delusion of the Enlightenment. Even to construct a coherent narrative from the last four months' events is a challenge. So we can but present the parts, and hope readers can fashion them into a whole. Shakespeare's *Macbeth* seems all too apt. Inter-Korean ties have become "a tale told by an idiot, full of sound and fury, signifying nothing."

That may seem a harsh judgment. Not for the first time in a lifetime of following North Korea especially, I hope to be wrong (and quite often have been). But as of now, inter-Korean ties appear to be going backward and are mired in recrimination, with the North depressingly plumbing new depths of foul sexist language and personal insult toward the president of the Republic of Korea (ROK), Park Geun-hye. This we shall discuss and reluctantly detail below.

While obviously there is not the remotest excuse for this, in my perhaps contentious view it is not random or uncaused, but reflects frustration in Pyongyang as to what Park really stands for or hopes to accomplish on the North-South front. As illustrated below, her signals in this area are more than a little mixed. But then Kim Jong Un for his part is even harder to read in terms of policy and strategy. So if the analyst fails to achieve clarity, this may be because his subjects are themselves unclear or even confused about their own ends and means alike.

One more introductory word. As ever I urge readers also to peruse the Chronology. Even in a lean, mean season like the present for North-South relations, there is far more going on than it is possible to discuss in the main article. If you don't find an event or topic here, it should be there. In case it isn't, please let the author or editors know. We do aim to be comprehensive.

A promising start

The first four months of 2014 in inter-Korean relations fall into two halves. The first appeared moderately promising. As illustrated in the chronology, in January the tenor of DPRK media comment – on the ROK government, and President Park in particular – softened somewhat, in line with Kim Jong Un's call in his New Year speech for an end to mutual mud-slinging. (As of

May this seems a hollow and hypocritical pledge, but we'll get to that.) One should not exaggerate the extent of the shift. Interested readers may care to revisit our [previous issue](#), where the relevant portion of Kim's speech was parsed at some length. The sentences seized on by some commentators as an olive branch look less so when read in their overall context.

Still, there was a [new tone](#) and it led to action. February saw two gains: the first reunions of separated families since Oct. 2010 and the first North-South high-level talks since May 2007. The family reunions, held as usual at the Hyundai-built but now mainly mothballed Mount Kumgang resort, near the Demilitarized Zone (DMZ) on North Korea's southeastern coast, followed a pattern established during the "Sunshine era" (1998-2007) when reunions were held regularly. Each side's Red Cross selects 100 elderly applicants. The South does so by lottery from over 129,000 who originally applied, almost half (45 percent) of whom are now dead; how the North chooses its fortunate few is unknown. The other side then seeks out relatives of those 100. A full reunion thus comprises two back-to-back events, each lasting three days.

Familiar tears

In practice the full 100 never make it. Some drop out due to frailty, or if the other side cannot trace their relatives. So it was only 82 elderly South Koreans plus 56 younger family members (some as caregivers) who crossed the border on Feb. 20, to meet 180 close Northern relatives – husbands, wives; fathers, mothers; brothers, sisters; sons, daughters – whom they had not seen since the 1953 Armistice, which ended the Korean War, sealed the border. In closely controlled conditions, with an intrusive media presence broadcasting the familiar but ever heartbreaking [tears](#) of these brief encounters, those separated for over 60 years were allowed just 11 hours together over three days. And then they part, never to meet again nor even write, telephone, or email. From Feb. 23-25 it was the turn of 88 North Koreans to meet 357 Southern relatives – note the numerical mismatch: Seoul is twice as good at tracing people – on the same terms. It all seems wretchedly inadequate on many levels, but perhaps slightly better than nothing.

Family reunions are a familiar ritual, or were. High-level North-South talks are an altogether rarer event, last held in May 2007 in the final year of the late Roh Moo-hyun's presidency. None took place on his hardline successor Lee Myung-bak's watch (2008-13), though there were efforts behind the scenes. Under Park Geun-hye, Cabinet-level talks had been set for mid-June last year, but were called off in a row about protocol (for which for once I [faulted](#) Seoul).

Psst! Might we meet?

As last year the initiative came from the North, which sent a confidential message – always a better sign than Pyongyang's usual megaphone diplomacy – on Feb. 8 (a Saturday) proposing open-ended talks at a senior level. The South agreed with commendable alacrity, and kept all this under wraps until the very eve of the talks, set for Feb. 12. The timing was interesting, with US Secretary of State John Kerry due to arrive in Seoul one day later (Feb. 13).

Another good sign was that both sides were careful to avoid a repeat of last year's protocol snafu. Seoul might have taken umbrage at the North's request for its Southern counterpart to be

not the Unification Minister (MOU), as was customary hitherto, but someone from the Blue House (Cheongwadae, the presidential office). But the South agreed, and a rising star was suddenly thrust into the spotlight. Kim Kyou-hyun, promoted last year from deputy to first vice foreign minister, had only a week earlier (Feb. 3) moved to the Blue House as first deputy director of national security. Last December President Park beefed up the National Security Council (NSC), restoring its permanent Secretariat which Kim now heads.

Across the table at Panmunjom Kim [faced](#) a more experienced figure. As deputy head of the United Front Department (UFD), the section of the North's ruling Workers' Party of Korea (WPK) that deals with South Korea, Won Tong Yon has been involved in inter-Korean negotiations for over 20 years – though never before as a delegation head. This looks like a concession to Seoul, or at least a *quid pro quo*. Last June the South wanted to talk to Won's boss, UFD chief Kim Yang Gon, rather than the usual rather opaquely titled figures that the North has tended to field (what is a "[cabinet councillor](#)" anyway?). Won may be only no 2 in the UFD, but for that matter Kim Kyou-hyun is not top gun either. So the protocol matched up, and each side knew they were dealing with someone who reports directly to their leader.

Slim pickings

Given this, and the [hopes](#) raised, it is all the more disappointing how little was achieved. A marathon first day (10am till midnight) yielded no announced result, not even an agreement to reconvene. But meet again they did, after a day's recess, on Feb. 14. Valentine's Day hardly brought an outpouring of love, but only a minimalist three-point agreement short enough to reproduce in full. (This is the [South's](#) version; the [North's](#) is not materially different.)

1. South and North Korea will proceed the reunion (sic) of separated families as scheduled.
2. In order to enhance mutual understanding and trust, the two Koreas will desist from slander or defamation against each other.
3. South and North Korea will actively endeavor to discuss issues of mutual interest and improve inter-Korean relations, and will have a high-level meeting again on a convenient date for both sides.

Kim Kyou-hyun's [press briefing](#) spoke of a "long and frank dialogue," "candidly exchanged opinions," and "different stances ... on some issues." The meager outcome shows how little common ground could be found. Indeed, given that item #2 (no slander or defamation) has since been massively breached by the North, and there is zero sign of item #3 (meeting again), the sole accomplishment is that one round of family reunions did take place – meaning that this time the North refrained from cancelling this at the last minute, as it had in September.

In Kim's view, all this was "meaningful in that we took the first step forward to 'improving Inter-Korean relations on the basis of trust.'" (The quotes are his, or perhaps MOU's: they frame Park's keynote Trust-Building Process, which is also respectfully capitalized as here.) Kim added: "We hope and expect that today's outcome will be a starting point to building ongoing trust between the South and North Korean authorities through dialogue."

Some hope. As of early May everything has gone backward, and the question is why. Here our task becomes interpretative, and to a degree speculative. This writer has already ventured some thoughts [elsewhere](#), which like *Comparative Connections* are freely accessible; I shall strive to avoid repetition. Readers may care to refer to that article, and a companion [piece](#) contrasting past ROK leaders' very varied "*Nordpolitik*" as a backdrop to the present impasse.

No *quid pro quo*

By its own lights, North Korea made a major concession in letting family reunions go ahead, despite the broader atmosphere being even more unpropitious than last September – given that two regular annual joint US-ROK military exercises, *Key Resolve* and *Foal Eagle*, were set to and did commence on Feb. 24 while the reunions were ongoing. The South steadfastly rebuffed the North's repeated efforts to link the two, viewing this as a point of principle. One can see why it would take that stand. Harder to fathom is why, having forced Pyongyang to yield, Seoul did not then deem it politic to toss at least a crumb or two Kim Jong Un's way.

There are at least three issues on which that could have been done. One is regular tourism to Mount Kumgang, in limbo for almost six years now since a tourist was shot dead there in July 2008 and the South suspended tours because the North refused entry to its investigators. As we noted at the time, last year Seoul seemed ready to discuss this area. It is far from clear why Park changed her mind, and mixed signals persist. On March 7, MOU said that payments to the North arising from any resumed tourism would not be subject to UN Security Council (UNSC) sanctions prohibiting bulk cash transfers – only to reverse its stand three days later.

No such risks apply in a second area, humanitarian aid. Here the Park administration's policy is as clear as mud. The ostensible position is that this is permitted, and a trickle does flow, but some Southern NGOs have been blocked. On March 13, a consortium of civic groups abruptly called off a planned ceremony launching a fund-raising campaign to send fertilizer to North Korea. Despite initial denials, pressure was surely applied. On March 19, Unification Minister Ryoo Kihl-jae, the architect of Park's *Trustpolitik*, said the time is not ripe to supply fertilizer.

Yet the amount envisaged was a mere 20,000 tons, and MOU is still budgeting to send far larger amounts – in the "Sunshine era" Seoul used to supply 300,000 tons each year – in case inter-Korean ties improve. To step in and ban this private initiative sends the wrong signals. Then again, North Korea plays its own self-defeating silly games. When it belatedly admitted an outbreak of foot and mouth disease (FMD) on Feb. 22, the South at once offered to help. Time is of the essence, yet Pyongyang did not even reply but instead turned to the UN Food and Agriculture Organization (FAO), whose bureaucratic wheels turn much more slowly.

The third area is trade. Here South Korea's stance is tortuous to say the least. Since May 2010, Seoul has nominally banned all investment and trade with the North in reprisal for the sinking of the corvette *Cheonan* (which Pyongyang continues to deny) in March that year. This was a peculiar "ban," for it allowed a large exception: the Kaesong Industrial Complex (KIC). One may be glad the KIC was saved, but there is no consistency in allowing this while forbidding anything else of the same kind. With North Korea now creating new special economic zones

throughout its territory, and smaller ROK firms (SMEs) pressing for a second Kaesong so that they too can benefit from DPRK labor – skilled, reliable and cheap – the time has surely come to review the May 24 measures, as the ban is known. China and Taiwan, notwithstanding the recent protests, are an illustration of how pragmatically permitting trade and investment can over time help soften political relations as well. Both Koreas could learn from this.

What makes no sense is to allow just one bizarre special case. As we noted last time, there is strange enthusiasm in Seoul for the convoluted idea of ROK firms taking a stake in a Russia-DPRK joint venture to improve rail and port links at Rajin in North Korea's northeast. This raises several questions. First, since when did the road from Seoul to Pyongyang run through Moscow? The two Koreas can make their own deals directly. Second, Rajin is as far as it gets from South Korea – which is why Southern SMEs already nixed invitations to invest there. Third, the true logistical benefits of Eurasian land links, an 'iron silk road' and other misty-eyed slogans *du jour* are less than obvious. Fourth, the three Southern companies potentially involved, who inspected Rajin in February, sound distinctly lukewarm. Yet for some reason this eccentric idea is to be exempt from the May 24 sanctions, while ROK entrepreneurs who just want to trade and invest normally in the DPRK – and some who already did so, but were bankrupted by the May 24 measures – are still forbidden to do so. Where is the logic in this?

A story reported by the *Hankyoreh* daily highlights the incongruity of the present state of play in inter-Korean business. ROK companies building factories at Kaesong are currently facing delays due to a shortage of sand. This is because Seoul forbid them to pay cash. Instead they must pay in kind, using ramen (noodles) or Choco Pie snacks. The latter delicacy is reportedly a quasi-currency in the DPRK, but this situation is self-defeating and absurd, especially since the same firms are allowed to bring in millions of dollars in cash each month to pay wages.

To be clear: *pace* one [critic](#) (Stephan Haggard) whom I much respect, I am not saying Seoul should put everything on the table all at once. Yet last June the South did accept the North's proposal to discuss several issues simultaneously, but then backtracked. All I suggest is that Pyongyang might reasonably expect some *quid pro quo* for family reunions, so Park and her advisors should consider in which of the three areas above they could offer some concession. Aid may be the place to start, despite the FMD rebuff. Why not let NGOs send fertilizer?

No to trade and aid, but yes to unification

There is more. If North Korea is puzzled and may feel cheated by the South's refusal to move forward on any of the above three fronts – tourism, aid, trade/investment – that is nothing to the alarm bells in Pyongyang at Park Geun-hye's new emphasis on Korean reunification. We noted the beginning of this tendency in our last report, but in 2014 it has blossomed mightily.

Having caused a stir by calling unification a jackpot – “bonanza” is now the preferred official translation – Park has formally made this a policy goal of her administration, and is creating a new advisory committee (seemingly duplicating one that already exists), which she will chair, to prepare for this. On March 28, she gave a much-trailed [speech](#) in Dresden – significantly, a city located in the former East Germany – titled “An Initiative for Peaceful Unification on the Korean Peninsula.” This reached out to North Korea on several fronts, proposing *inter alia* medical aid

for mothers and babies, joint ventures (farming, mining, infrastructure), and wide-ranging people-to-people exchanges of a non-political nature. An eloquent document, this is well worth reading in full; useful [summaries](#) are also available.

Yet the Dresden speech must also be seen in context – several contexts, in fact. Park was not the first, second, or even third ROK president to come to Germany and make a speech about unification. Kim Dae-jung most famously in 2000, but also Lee Myung-bak (2011) and even (first up) Kim Young-sam in 1995, all had the same idea. But is it a good idea? This goes down well in Germany and to a Western audience, but how does it play in Pyongyang? North Korea's power elite have watched recent German history no less carefully than their Southern peers. This surely concentrates the mind, as Dr Johnson said about knowing you are going to be hanged. The comparison is apt. What conceivable comfort can the DPRK *nomenklatura* draw from German reunification, involving as it did the absorption of one state by the other?

Ruediger Frank, whose insights on North Korea are enriched by his own East German origins, is especially well placed to comment here. In a perceptive [article](#) bluntly entitled “Fire the Speech Writers,” he notes among much else that at no point did Park so much as mention, let alone value, the long history of GDR-DPRK cooperation. For her, Germany-Korea just means FRG-ROK: past, present, and future. This is victors' historiography: the defeated are erased.

Unlike East Germany, North Korea is not about to go quietly. More immediate reasons also explain why it rejected Park's Dresden speech out of hand. The frustrations described above are one factor. Another reason is that much of the 'new' interaction that Park calls for was already up and running a decade ago. Yet she never mentioned that, nor reflected on how or why inter-Korean relations have gone backwards. It may be a defect of democracy, at least in Korea, that each new administration purports to start afresh – sunshine, peace and prosperity, Vision 3000, trustpolitik, you name it – rather than building cumulatively on its predecessors.

Relatedly, Haggard [suggests](#) that Dresden should be seen as Park's attempt at a “reset.” If I am not convinced, and far more importantly nor is North Korea, it is because the Dresden speech is exceptional in actually reaching out to Pyongyang. So if the North rudely bites the proffered hand of friendship, a further reason is its awareness that except in Dresden, none of this new burst of unification-mongering in Seoul even pretends to posit the North as a partner. Instead South Koreans are doing it by and for themselves, and the government is warning its citizens to prepare for the unexpected – with strong implications of a German-type scenario. Small wonder then if the DPRK is suspicious: who can blame them?

Wash your mouth out with soap!

By contrast, blame and opprobrium are the only possible reaction to the appalling terms in which the North is expressing its anger. As when Lee Myung-bak was viciously cartooned as a rat being bloodily killed in a variety of ways, even by North Korean standards we see new depths of vileness being plumbed. The foul abuse recently hurled at the UN Commission of Inquiry's Judge Michael Kirby for his sexual orientation, and now President Obama for being black (worse, a “crossbreed with impure blood”), are so far beyond the pale as to be beyond belief.

Comparative Connections being a journal of record, as with the rat cartoons it is my deeply unpleasant duty to record the inter-Korean dimension here. As we have noted before, the “P” word has been hurled at Park in the past, but more sparingly: in [April 2012](#) before she was elected president, and again last [November](#). (North Korea being an equal-opportunity insulter, in [November 2012](#) KCNA also brandished it at former ROK President Kim Young-sam.)

But now it has used it four times in a week as of May 3, with all manner of ugly variations:

[April 27](#) *Challengers to DPRK Will Never Be Pardoned: CPRK Spokesman (on Obama’s visit; statement attributed to the Committee for the Peaceful Reunification of Korea [CPRK])*

...What Park did before Obama this time reminds one of an indiscreet girl who earnestly begs a gangster to beat someone or a capricious whore who asks her fancy man to do harm to other person while providing sex to him...

... She thus laid bare her despicable true colors as a wicked sycophant and traitor, a dirty comfort woman for the U.S. and despicable prostitute selling off the nation... Genes remain unchanged...

[April 29](#) *“Park Geun Hye Will Have to Pay Price for Treachery: Rodong Sinmun” (on Obama’s visit)*

This was nothing but a disgusting kiss between the boss of gangsters asking his political prostitute to serve him before going to a war and his partner flattering him.

[May 2](#) *A 1,000 word screed, “Park Geun Hye Censured as Root Cause of Disasters of Nation”:*

... Kowtowing to outside forces since she took office as “president” clearly proves that she is no more than a dirty political harlot and old prostitute without an equal ... steeped in sycophancy and treachery ... All Koreans are spitting on her as she is resorting to whorish and disgusting political prostitution only after leaving her soul or chastity violated at such old age of over 60 (sic).

[May 3](#) *Attributed to the National Peace Committee, a propos postponing OpCon transfer:*

What she did this time reminds one of a disgusting old prostitute raising even her skirt, not feeling any shame to bring a stranger into her bedroom. It is a shame and disgrace of the Korean nation that there is such a pro-U.S. indecent philistine and vile prostitute serving the U.S. as Park Geun Hye.

Note also the “comfort woman” tag, which is mind-boggling and wholly unprecedented.

This filth will stop in time, just as the rat cartoons did (they have also been removed from KCNA’s website). North Korea’s nastiest word will not be its last word, but the taste will linger. Right now it is hard to see how the two Koreas will go forward from here, but they will find a way sooner or later. It would be understandable if President Park wanted nothing more to do with a counterpart so foul-mouthed. But she has less than four years left to serve. At a time when other powers – Russia and even Japan – are moving to seek better relations with the DPRK, which also retains China’s grudging support, Park will need to brush off the insults and think afresh how to relaunch *Trustpolitik* to compete with these regional rivals.

Chronology of North Korea-South Korea Relations January – April 2014

Jan. 1, 2014: DPRK supreme leader Kim Jong Un’s second New Year speech attacks the South for internationalizing inter-Korean issues, yet also calls for an end to mud-slinging and offers to

[“join hands with anyone who opts to give priority to the nation and \[wants\] reunification regardless of his or her past.”](#)

Jan. 2, 2014: South Korean Foreign Minister Yun Byung-se urges “extra caution” in dealing with the North, in view of [“growing uncertainty and vicissitudes in North Korean politics.”](#)

Jan. 2, 2014: The Chinese news agency *Xinhua* says that [a high speed rail link to the North Korean border, under construction since 2010, will open in August 2015](#). This will cut the time of the 207 km journey from Shenyang to Dandong, across the Yalu River from Sinuiju in the DPRK, from 3.5 hours to just an hour. (For the inter-Korean connection, see Dec. 11.)

Jan. 6, 2014: In her first ever press conference since taking office last Feb. 25, South Korean President Park Geun-hye calls on North Korea to agree to hold the family reunions which it postponed in September at end-January, around the lunar new year holiday (*Seollal*) which this year falls on Jan. 31. [In questions she causes a stir by calling Korean reunification “a jackpot.”](#) (*daebak* in Korean). Although some fear the cost, she believes this “would be a chance for the economy to make a huge leap.”

Jan. 7, 2014: *Yonhap*, the ROK’s quasi-official news agency, says that since Kim Jong Un’s call for an end to mutual slander [DPRK media have softened their tone](#). So far this year they have not directly criticized President Park, who in December alone had suffered over 70 separate personal attacks from the North’s official *Korean Central News Agency (KCNA)*.

Jan. 8, 2014: *KCNA* [reports](#) that the Presidium of the DPRK Supreme People’s Assembly (SPA, the North’s rubber-stamp parliament) “decided to hold an election of deputies to the 13th SPA on March 9, Juche 103 (2014), according to Article 90 of the Socialist Constitution of the DPRK.” This is on schedule: the 12th SPA was chosen in 2009. Kim Jong Un is not yet an SPA member, having not been unveiled to his people or the world until September 2010.

Jan. 9, 2014: The North’s Committee for the Peaceful Reunification of Korea (CPRK) rejects the South’s proposal for reunions of separated families as untimely on various grounds, but holds open the possibility that at some point [“both sides can sit together in a good season.”](#)

Jan. 9, 2014: The USFK-ROK Combined Forces Command (CFC) confirms that [the annual Key Resolve and Foal Eagle joint exercises will be held as usual](#), starting in late February. North Korea had cited these as one of the impediments to holding family reunions.

Jan. 10, 2014: Following Pyongyang’s rejection of its proposal, South Korea urges the North to [“show a sincere attitude toward our offer”](#) of renewed family reunions.

Jan. 12, 2014: Court officials in Seoul say that a 65-year old man, one of six South Koreans returned by the North in October, [had murdered his wife](#) (whose body was also returned) as he thought she was having an affair with a DPRK security official after they entered the North from China in 2011. The husband claimed she died in a botched suicide pact.

Jan. 13, 2014: ROK Ministry of Unification (MOU) says the new radio frequency identification (RFID) electronic tagging system [will be ready this week](#) and up and running later this month. This will allow Southern staff at the joint venture Kaesong Industrial Complex (KIC) to cross the Demilitarized Zone (DMZ, the de facto North-South border) at any time on permitted days, rather than being limited to strict time windows booked in advance as hitherto.

Jan. 13, 2014: [MOU](#) says that [1,516 North Koreans settled in the South last year](#); slightly up on 2012's figure of 1,502, but still down from 2006-11 when annual flows were in the 2,000-3,000 range. 76 percent were female. The cumulative total of arrivals now stands at 26,124.

Jan. 14, 2014: MOU says that it [used barely a quarter](#) (27 percent) of the Won 1.09 trillion (\$1.029 billion) earmarked in 2013 for its inter-Korean cooperation fund. Low as it is, this is the highest proportion disbursed for six years, i.e. since the end of the former "Sunshine Policy." Most of it (Won 177.7 billion out of Won 296.4 billion) went not to North Korea, but as compensation to Southern SMEs invested in Kaesong for the zone's five-month closure.

Jan. 17, 2014: National Defense Commission (NDC: the topmost DPRK executive body, above the Cabinet) [makes](#) three "principled crucial proposals", including no provocation or slander and no hostile military acts. The latter includes cancelling US-ROK war games.

Jan. 24, 2014: NDC [repeats](#) its offer, insisting it is sincere: "We've already been walking down the path on our own to completely cease provocations or slander of the other side."

Jan. 24, 2014: In a telephone message to the head of the South's Red Cross, North Korea [suggests](#) holding family reunions after the Lunar New Year holiday. Replying on Jan. 27, Seoul proposes reunions on Feb. 17-22 at Mount Kumgang, and talks on Jan. 29 to arrange these.

Jan. 27-28, 2014: *Rodong Sinmun*, daily paper of the North's ruling Workers' Party of Korea (WPK) [says](#) on Jan. 28 that "north-south relations can never be improved by the efforts of [only] one side ... Now all Koreans wait for a good news that an epochal phase of improved north-south relations will be open." [Article](#) on Jan. 27 regrets that "the nation is killing time through mud-slinging and reckless military showdown which bring nothing good. The Korean nation really suffers big from division and wastes away precious time by escalating confrontation."

Jan. 28, 2014: Trials of the RFID entry system [begin](#) at the KIC. (See Jan. 13.)

Jan. 28, 2014: *Yonhap* [reports](#) that for the past fortnight North Korea has stopped sending its usual balloon-borne propaganda leaflets into the South.

Feb. 3, 2014: After a week's silence during which Seoul's suggested date for Red Cross talks on reunions has passed, Pyongyang responds and offers Feb. 5 or 6. They settle on the former.

Feb. 4, 2014: Kim Ki-mun, chairman of the (South) Korea Federation of Small and Medium-sized Businesses, [says](#) that KFSMB will seek to build a second complex like the KIC in the North. Rejecting Rason (Rajin-Sonbong) special zone in the DPRK's northeast as logistically unsuitable and short of electricity, Kim hopes for the southwestern port cities of Nampo or

Haeju; each less than two hours from the border “if a road is built.” He says ROK SMEs are “very satisfied” with the KIC, and some 2,000 are on a waiting list for any new such zone.

Feb. 5, 2014: ROK media scold Kim Jong Un and his entourage for not taking off their shoes on a visit to a Pyongyang nursery, as [pictured](#) in Feb. 4 *Rodong Sinmun*. Traditionally in Korea it is a serious breach of etiquette and gross bad manners to wear outdoor shoes indoors.

Feb. 5, 2014: Red Cross talks at Panmunjom [agree](#) to hold family reunions, last held in Oct. 2010, at the North’s Mount Kumgang resort on February 20-25. DPRK chief delegate Pak Yong Il calls this “a very important starting point for improving the North-South relations.” The South says that if the reunions go well, other issues can be discussed with the North.

Feb. 6, 2014: A day after agreeing to family reunions, Pyongyang threatens to cancel them. In a long [screed](#) which also lambastes ROK media over Kim Jong Un’s shoes, the NDC says “war exercises and racket for confrontation are incompatible with dialogue and reconciliation.” Seoul rejects this, and reconfirms that the annual joint US-ROK military drills will go ahead.

Feb. 6, 2014: In its annual policy report MOU [says](#) it will cooperate with North Korea on the Rajin-Khasan railway, and to try to build a peace park in the DMZ by 2016. President Park adds that “this year’s policy deals more with setting the groundwork framework for internal stability and setting straight various abnormal practices in the North-South relationship.” Also “we need a thorough defense posture to deal with any provocation by North Korea.”

Feb. 7, 2014: The two Koreas [agree](#) that the KIC will at last get internet access, by June. This will start with a connected business center. Later, all 100-odd factories will have the service.

Feb. 7, 2014: A 64-strong ROK team of Red Cross and Hyundai Asan workers drives across the eastern border to Mount Kumgang, where they will check the condition of facilities for family reunions. The Hyundai-built resort has been largely mothballed since 2008.

Feb. 7, 2014: President Park [urges](#) North Korea not to “leave a large wound in the hearts of the separated families again” by cancelling family reunions, which she hopes will help “move toward a new Korean Peninsula of peace and joint development.”

Feb. 8, 2014: North Korea unexpectedly and confidentially proposes open-ended high-level talks. The South swiftly agrees to meet on Feb. 12. All this is only [announced](#) on Feb. 11.

Feb. 9, 2014: MOU [announces](#) that an 18-strong team from three firms – steelmaker Posco, shipper Hyundai Merchant Marine and state-owned KoRail – will inspect the DPRK’s Rajin port on Feb. 11-13. No ROK officials will accompany them. Russian Railways has invited this consortium to invest in its cross-border rail and port development JV with North Korea.

Feb. 10, 2014: ROK Unification Minister Ryoo Kihl-jae [tells](#) the National Assembly that the Rajin rail project is allowed as a “special case.” Seoul’s ban on investment and trade with the North, except at the Kaesong IC, will continue until Pyongyang takes meaningful steps and shows remorse for sinking the *Cheonan* in 2010 (for which the DPRK denies responsibility).

Feb. 11, 2014: The two Koreas exchange delegation lists for Feb. 12 high-level talks. The South's team is led not by Unification Minister Ryoo Kihl-jae but Kim Kyou-hyun, the newly appointed secretary general of the ROK's revamped National Security Council (NSC). The North's chief delegate is Won Tong Yon, vice director of the WPK United Front Department and a veteran negotiator with the South since the 1990s. No agenda is tabled in advance.

Feb. 12, 2014: First high-level North-South talks for seven years are [held](#) at Panmunjom. Despite starting at 10:00 and continuing through midnight, no progress is made.

Feb. 12, 2014: Pyongyang calls for the start of military exercises to be postponed until after family reunions. Seoul again rejects any such linkage.

Feb. 14, 2014: Resumed high-level talks reach a 3-point [accord](#): to end slander, promote trust and meet again. Family reunions are confirmed, though Seoul gives no ground on war games.

Feb. 17, 2014: The UN Commission of Inquiry (COI) publishes its report on DPRK human rights violations. The ROK Foreign Ministry (MOFA) [hails](#) the COI's "proactive efforts" as raising the global community's awareness of this grave situation. The DPRK for its part "categorically and totally rejects" the report, labelling the COI a "[marionette](#)" of the US.

Feb. 17, 2014: Lee Seok-ki, a lawmaker of the South's far-left Unified Progressive Party (UPP), is [jailed](#) for 12 years for plotting a campaign of pro-North sabotage in the event of a crisis on the peninsula. Several associates are also sentenced. The UPP, itself facing a possible ban as an anti-state body, calls this "a medieval witch-hunt."

Feb. 18, 2014: MOU [clarifies](#) that Seoul's backing for the COI does not breach the Koreas' agreement not to slander each other, since human rights are about universal values.

Feb. 18, 2014: MOFA [launches](#) the Korean Peninsula Club, a consultative body comprising the 21 foreign diplomatic missions in Seoul which are also accredited to the DPRK. It is also contemplating a second body for the 24 states that have embassies in both Korean capitals.

Feb. 19, 2014: Eighty-two elderly South Koreans and 56 relatives [gather](#) at Sokcho for medical checks and briefings ahead of one-off reunions with their long-lost Northern kin.

Feb. 20, 2014: South Korea's Agriculture Ministry ([MAFRA](#)) says the World Organization for Animal Health (OIE) [informed](#) it of an ongoing outbreak of foot and mouth disease (FMD) in North Korea. OIE itself was only just notified by Pyongyang, over a month after the event.

Feb. 20, 2014: Blue House [announces](#) that its preferred English translation for *daebak* is now "bonanza" rather than "jackpot." Secretary of State Kerry is credited with suggesting this.

Feb. 20, 2014: Back from Rajin (see Feb. 9), three ROK companies [strike](#) a cautious note. A spokesman stresses that their Feb. 11-13 site visit was merely "a visual inspection" and that "the consortium can conduct a detailed business feasibility study only after more inspections."

Feb. 20-25, 2014: Reunions of separated families, the first such since 2010, are held without a hitch at Mount Kumgang after much clearing of heavy snow.

Feb. 21, 2014: Meeting China's Vice Foreign Minister Liu Zhenmin, who unusually has just come directly to Seoul after four days in Pyongyang, ROK Foreign Minister Yun Byung-se [calls](#) on Beijing to persuade the DPRK to take concrete steps toward denuclearization.

Feb. 21, 2014: North Korea fires four ballistic missiles with an approximate range of 150 km. Another four *Scuds* are fired on Feb. 27, this time with a 220 km range. Two 50-km rockets follow on March 3, and seven more of unknown range on March 4.

Feb. 22, 2014: KCNA belatedly [confirms](#) an FMD outbreak, the DPRK's first since 2011, on a pig farm near Pyongyang. Since this began on Jan. 8 some 3,260 pigs have been "butchered, causing lots of economic damage." However, "the disease continues spreading due to the shortages of FMD vaccines, diagnostic means and disinfection medicines."

Feb. 23, 2014: Seoul's Korea International Trade Association (KITA) [says](#) that last year North-South trade fell by 42 per cent from \$1.98 to \$1.15 billion, its lowest level for 8 years, due to the 5 month closure of the KI, which is now the only inter-Korean trade that Seoul permits. China-DPRK trade by contrast rose 10.4 percent to a record \$6.54 billion.

Feb. 24, 2014: At a rare lunch with ROK journalists covering the family reunions, DPRK officials and reporters [say](#) the North will compete in all events at this year's Asian Games, to be held in the South's Incheon city in September.

Feb. 24, 2014: MOU [says](#) Seoul has offered to help Pyongyang contain its FMD outbreak, also proposing wider talks on humanitarian aid. North Korea makes no reply, now or later.

Feb. 24, 2014: The annual US-ROK *Key Resolve* and *Foal Eagle* drills kick off as [scheduled](#).

Feb. 25, 2014: MND [says](#) that last night a KPA patrol boat crossed the Northern Limit Line (NLL, the de facto west coast sea border) west of Baengnyong Island. It stayed for three hours in Southern waters, only returning North after ten warnings from ROK military broadcasts.

Feb. 25, 2014: On the first anniversary of her inauguration, President Park [says](#) she will set up a "preparatory committee for unification" as part of a wider economic revitalization plan.

Feb. 26, 2014: *Radio Free Asia* [reports](#) that on Feb. 24 North Korea asked the UN Food and Agriculture Organization (FAO) for help in containing its FMD outbreak. Pyongyang remains silent, however, on Seoul's swift offer of assistance in that area.

Feb. 27, 2014: Kim Jong-uk, a South Korean missionary arrested in the North on Oct. 8, [tells](#) a press conference in Pyongyang he was sent by the National Intelligence Service (NIS) to create a dissident underground church network that would eventually topple the Kim regime, and asks for

mercy. The NIS denies any knowledge of him. The same day Seoul calls for his release, but the North refuses. (See also April 15, below.)

Feb. 28, 2014: MND [calls](#) North Korea's firing of four *Scud* missiles (its first *Scud* test since 2009) into the East Sea the previous day "a kind of provocation." For their part, Pyongyang media proclaim daily that joint US-ROK war games are a provocation.

Feb. 28, 2014: Foreign Minister Yun Byung-se [says](#) South Korea will step up efforts to gain the international community's cooperation in its push to reunify Korea, and predicts that "the coming four years will mark a watershed in building peace on the Korean Peninsula."

March 4, 2014: President Park [tells](#) her government to start talks with North Korea on letting separated families exchange letters and hold video reunions. She also calls for reunions for at least 6,000 such persons annually, since "many families do not have time to wait any longer."

March 5, 2014: South Korea's Red Cross [proposes](#) talks on March 12 about holding regular family reunions. Next day the North rejects this, saying the atmosphere is not right.

March 5, 2014: ROK Unification Minister Ryoo Kihl-jae [says](#) the DPRK's Rason zone may be open to South Korean goods by next year "if things go smoothly." He calls this "a small but meaningful outcome." Ryoo adds that if North-South relations improve, humanitarian aid is also possible: "However, we are not in that stage yet."

March 6, 2014: US-ROK *Key Resolve* command post exercise concludes.

March 6, 2014: At a passing-out parade for new military graduates at the Gyeryongdae tri-services headquarters south of Seoul, President Park [reiterates](#) that "the decisive obstacle to economic cooperation between the South and the North is North Korea's nuclear program."

March 7, 2014: MOU [clarifies](#) that any resumption of regular tourism to Mount Kumgang would not be subject to UNSC sanctions which ban couriering bulk cash into North Korea. However on March 10 it seemingly [reverses](#) its view.

March 9, 2014: North Korea holds its parliamentary election. On March 11, the Central Election Committee [claims](#), as usual, that 99.97 percent of registered electors have voted (i.e. everyone except those unable to because they are overseas or out at sea); and that fully 100 percent have cast their ballot for the single approved candidate in each of 687 constituencies.

March 9, 2014: MOU [reports](#) that by end-2013 production at the Kaesong complex had almost recovered to pre-shutdown levels. Output in Dec. 2013 was worth \$35.29 million, compared to \$36.42 million a year earlier. [*Yonhap* actually says 352.9 and 364.2 million, but this is an obvious decimal point error.] Inter-Korean trade this January reached \$168.87 million, 94 percent of Jan. 2013's figure. DPRK employees at end-2013 numbered 52,000, compared to 53,000 in March. All 123 ROK firms except one are working normally.

March 9, 2014: MOU spokesman Kim Eui-do [says](#): “We are not considering aid [to North Korea], either through the government or international organizations.”

March 11, 2014: North Korea [warns](#) that persistent Southern “slander” – by ministers, media, and defectors (“human scum”) who send leaflets by balloon – will jeopardize future relations. Seoul says the government is not being slanderous, and it cannot control others’ free speech.

March 11, 2014: Hyundai Research Institute (HRI), think-tank of the eponymous business group, [claims](#) that if the two Koreas reunite within the next year, by 2050 Korea will have the eighth largest economy in the world with per capita income larger than Japan’s, thanks to new growth engines and an enlarged domestic market.

March 13, 2014: A joint panel on dispute arbitration at the Kaesong complex [holds](#) its first meeting. MOU calls this a positive step, though it is unclear what exactly it accomplished.

March 13, 2014: The (South) Korean Council for Reconciliation and Cooperation (KCRC), a coalition of NGOs, abruptly [cancels](#) the grand launch ceremony for its planned campaign to send a million 20-kg bags of fertilizer to North Korea. Official pressure is suspected.

March 14, 2014: Blue House Senior Secretary Ju Chul-ki [says](#) President Park will personally chair her proposed unification preparatory committee, which will meet quarterly. Its 50-odd members will be drawn from government, civilian experts, and the private sector.

March 14, 2014: DPRK Committee for the Peaceful Reunification of Korea (CPRK) demands an apology for remarks on March 11 by the head of a think-tank affiliated to the ROK’s National Intelligence Service (NIS). Yoo Seong-ok [reportedly](#) told lawmakers that Kim Jong Un is instituting a reign of terror, described the Northern leader as “[stepping] harder on the gas pedal of a car with no brakes,” and suggested that a coup, uprising and collapse were all possible.

March 16, 2014: ROK Joint Chiefs of Staff [report](#) that the KPA fired 25 short-range rockets in a day into the East Sea: its largest volley yet of several recently (see Feb. 21).

March 16, 2014: *Yonhap* [cites](#) an unspecified official as saying North Korea is demanding a 10 percent hike in basic pay for its 53,000 workers at Kaesong. The usual annual raise is 5 percent. He adds that this is unacceptable, since the KIC was shut for five months in 2013. On March 21 MOU says that KIC firms will hold wage talks in July, the normal time for this.

March 16, 2014: The South’s Hyundai Research Institute (HRI) [claims](#) that North Korean per capita income rose 4.8 per cent last year, thanks to better harvests and increased facilities investment. At an estimated \$834, the North’s figure is still dwarfed by the South’s \$23,838.

March 17, 2014: An unnamed ROK diplomat [says](#) Seoul will seek China’s support for a UN resolution on DPRK human rights violations. On March 19 President Park [urges](#) Beijing not to veto the resolution.

March 17, 2014: MOU spokesman Kim Eui-do [says](#) anyone thinking of sending fertilizer to North Korea should consult the authorities. He confirms that government has no such plans. During the “Sunshine era” (1999-2007) Seoul sent 2.55 million tons of fertilizer to Pyongyang.

March 19, 2014: ROK Unification Minister Ryoo Kihl-jae [confirms](#) Seoul’s official view that “the timing isn’t ripe to send fertilizer to the North.” He adds that economic cooperation with Pyongyang will be limited unless the North’s nuclear issue is first addressed.

March 23, 2014: Military source [tells](#) *Yonhap* that North Korea is enhancing its infiltration capabilities by developing a new high-speed, wave piercing Very Slender Vessel (VSV) that can move special forces at over 100 kmph. This is seen as a threat to front-line islands.

March 24, 2014: MOU White Paper [says](#) that Seoul “plans to make consistent efforts to ensure that the tours to Mount Kumgang will be resumed by dispelling public concerns.”

March 24, 2014: MOU [says](#) Seoul will not lift the May 24 [2010] measures, which ban trade with and investment in North Korea except the KIC in reprisal for the sinking of the *Cheonan*, unless Pyongyang “takes responsible measures” such as admitting responsibility.

March 25, 2014: MOU [says](#) the South’s state-owned Export-Import Bank has asked North Korea to pay \$8.6 million: the first repayment on an \$80 million loan made in 2007 for raw materials to produce clothing, footwear, and soap. This fell due on March 24. Pyongyang has also never repaid loans for past food aid, nor replied to Seoul’s messages on the subject.

March 25, 2014: At Paju near the DMZ, Northern defectors and conservative activists [launch](#) 20 balloons carrying 600,000 leaflets into North Korea.

March 26, 2014: On fourth anniversary of the sinking of the ROKN corvette *Cheonan*, North Korea [test-fires](#) two medium-range *Rodong* ballistic missiles. They fly some 650 km over the East Sea. Seoul condemns this as a provocative violation of UNSC resolutions.

March 26, 2014: North’s inaptly named Committee for the Peaceful Reunification of Korea (CPRK) [threatens](#) “merciless sledgehammer blows” on the South over anti-regime leaflets sent into the North by balloon. The South’s Defense Ministry (MND) clarifies that this as ever was a private action by activists, and insists that the government has not floated leaflets since the two Koreas agreed in 2004 to end cross-border propaganda activities.

March 26, 2014: South Korea [intensifies](#) quarantine efforts in border provinces after the North belatedly reports a second FMD outbreak at a pig farm, two months after the event.

March 27, 2014: The largest ever [Ssangyong](#) – the third US-ROK military exercise this year, and the peninsula’s biggest joint amphibious landing drill – begins. It [concludes](#) April 5.

March 27, 2014: ROK Navy [arrests](#) three DPRK fishermen whose boat had crossed the Northern Limit Line (NLL) near Baenghyeong Island despite warning shots. It releases them six

hours later. Next day the trio holds a televised press conference, claiming that they were “assaulted with iron bats and pressured to defect to the South.”

March 28, 2014: In a major speech at Dresden Germany, President Park [offers](#) a range of proposals to North Korea including aid, people exchanges and joint economic projects. The North angrily rejects this outright, questioning Park’s motives and abusing her personally.

March 28, 2014: *Yonhap* [reports](#) that some 30 members of women’s groups in both Koreas met in Shenyang, China to discuss the ‘comfort women’ issue. The last such joint meeting was held in Seoul in 2007.

March 31, 2014: Four hours after sending a rare fax notifying the ROK’s Second Navy Fleet Command (on the west coast) of an upcoming exercise affecting border waters, KPA artillery [fire](#) some 500 shells in seven areas near the), of which 100 fall south of the line. The South responds with a 300-shell howitzer barrage, all of which land in Northern waters. MND calls the North’s shelling a premeditated provocation.

April 2, 2014: Seoul media [report](#) that a second unmanned aerial vehicle (UAV) crash-landed on Baengnyong Island in the West/Yellow Sea on March 31. The first, found near Paju north of Seoul near the DMZ on March 24, had flown over and photographed the Blue House (the presidential residence and office). Both drones are suspected to have come from North Korea. ROK media [criticize](#) the authorities for lack of vigilance in face of this new security threat.

April 3, 2014: MOU [says](#) that on April 5, Arbor Day, 70 ROK officials will plant some 7,000 retusa fringe trees around the Kaesong IC.

April 4, 2014: MND [announces](#) the successful test of a new ballistic missile with a range of 310 miles (thus able to strike most of North Korea) and a 1-ton payload on March 23. On April 7 the North’s Academy of National Defense Science [calls](#) this a “grave provocation.”

April 6, 2014: MND [reports](#) a third mystery drone, up a mountain on the east coast. A local resident found it last October but only reported it now. Discarding the Canon camera, which was wet, he removed the memory chip, erased it and reused it. A new [order](#) that all unmanned aircraft of whatever size must be registered provokes protests from model plane hobbyists.

April 6, 2014: At Panmunjom South Korea [hands over](#) two bodies and three Northern sailors, rescued when a DPRK-crewed Mongolian-flagged cargo ship sank off Yeosu on the ROK’s southern coast on April 4. The ship was carrying 6,500 tons of steel from Chongjin to China. A further body is handed over on April 14 after the North confirms the man’s identity.

April 7, 2014: Hwang Joon-kook, named on April 3 as new ROK envoy to the Six-Party Talks, [meets](#) his US and Japanese counterparts in Washington to discuss how to handle the DPRK.

April 7, 2014: Despite President Park’s call in her Dresden speech for inter-Korean economic cooperation, Seoul [reaffirms](#) its ban on investment and trade with Pyongyang.

April 8, 2014: MOU [reports](#) that 360 Northern defectors reached South Korea in the first quarter of 2014, a similar figure to the same period in 2012 and 2013. A total of 1,516 came in 2013, slightly up from 1,502 in 2012. The cumulative total of defectors is now 26,124.

April 8, 2014: MOFA [says](#) Seoul will “positively consider” hosting a UN office on North Korea's human rights violations, if formally asked. MOFA denies local media reports that it has rejected any such idea as inimical to inter-Korean relations.

April 9, 2014: KCNA [reports](#) an outbreak of H5N1 avian influenza (AI, bird flu) in Pyongyang since March 21. Though tens of thousands of poultry “have either fallen dead or been culled ... the disease shows ... continues to spread.” South Korea has also had its first AI since 2011, with 10 million chickens culled.

April 9, 2014: North's SPA meets as scheduled, for a single day as usual. There are no developments directly bearing on or affecting ties with South Korea.

April 11, 2014: ROK Unification Minister Ryoo [tells](#) the National Assembly that the South “is willing to lift” sanctions on the North if the latter takes some action. He does not say what.

April 12, 2014: North's NDC [calls](#) Park Geun-hye's Dresden Declaration “a nonsensical statement made by an anti-reunification element who deceived the public with hypocrisy and deception as she offered no solution” and “irrelevant and indifferent to the improvement and development of inter-Korean relations.” Despite this, MOU [says](#) on April 14 that the South will push ahead with this plan, including “internal preparations.”

April 14, 2014: DPRK NDC [denies](#) that drones found in ROK are from the North, calling this “a replica of the *Cheonan* warship sinking case.” NDC offers to send a joint investigation team.

April 15, 2014: Seoul dismisses the North's call for a joint UAV probe, calling it a “mean psychological tactic.” China's *Xinhua* is among those carrying that [quote](#). The Blue House [adds](#): “In no case would a suspect be allowed to investigate evidence of his own crime.”

April 15, 2014: A propos detained missionary Kim Jong-uk, MOU says: “It is regrettable for the North not to meet our demand [to] grant him access to an attorney and his family, and release and repatriate him.” (See also Feb. 27.)

April 16, 2014: State-run Export-Import Bank of Korea (Eximbank), which operates the South's inter-Korean cooperation fund, [announces](#) a new research center to study, and hopefully revive, North-South economic cooperation.

April 16, 2014: MOU [says](#) a task force has inspected three sites near the border in preparing for President Park's vaunted “peace park” inside the DMZ. 40.2 billion won (\$38.4 million) is budgeted for this year.

April 18, 2014: The US-ROK *Foal Eagle* combat field training joint exercise [concludes](#).

April 21, 2014: Choi Yeon-hye, CEO of state-owned Korea Railroad Corp (KoRail), leaves for a meeting in Pyongyang of the Organization for Cooperation between Railways (OSJD). OSJD mostly covers ex-communist countries, but the ROK gained associate membership in March. Choi tells reporters in Beijing en route that she will seek full membership. The same day she and her party [board](#) a Pyongyang-bound train in Beijing. This is thought to be the first time that senior ROK officials have entered the DPRK by rail.

April 23, 2014: A week after the *Sewol* ferry tragedy, North Korea finally [offers](#) condolences in a telephone message from its Red Cross chief Kang Su Rin to his Southern counterpart Yoo Jung-keun. This is outweighed by other Northern media reports which, like most in the South too, view this disaster as showing up a range of flaws in South Korean procedures or society.

April 24, 2014: Seoul [allows](#) the charity Medical Aid for Children to ship cold remedies and other medications worth 75 million won (\$227,000) to a children's hospital in Pyongyang. This brings total aid by ROK NGOs so far this year to 2 billion won.

April 25, 2014: Hours before President Obama arrives in Seoul, two North Korean patrol boats [intrude](#) a mile south of the NLL. They retreat after verbal warnings and warning shots. The ROK Joint Chiefs of Staff (JCS) says the intruders may have been monitoring numerous DPRK and Chinese fishing boats in these waters, as it is the peak crab season.

April 27, 2014: DPRK media use unprecedentedly abusive language against President Park, calling her a "prostitute" and "comfort woman." On April 28 MOU [condemns](#) the North's "vulgar expletives" as immoral.

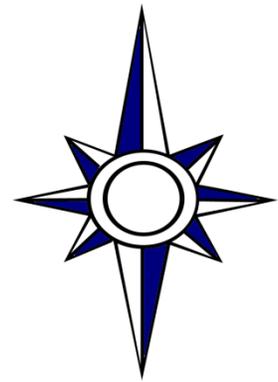
April 28, 2014: KoRail's head Choi Yeon-hye [returns](#) from the OSJD meeting in Pyongyang. No details or outcomes of her week-long sojourn in North Korea have yet been disclosed.

April 29, 2014: *Rodong Sinmun* [warns](#) the South that to seek unification without concessions in its political system would lead to war, which would "reduce South Korea to ashes and return it to the "stone age."

April 29, 2014: The KPA stages a live-fire drill in the West Sea. Again it pre-notifies South Korea, which does not fire back as none of the North's 50-odd shells fall south of the NLL.

May 2, 2014: *KCNA* again [insults](#) President Park: "All Koreans are spitting on her as she is resorting to whorish and disgusting political prostitution only after leaving her soul or chastity violated at such old age of over 60." It also refers to "her American master reminiscent of a wicked black monkey". (Even more blatant and disgusting [racism](#) against President Obama appears at length in another *KCNA* article, published in [Korean](#) only.)

May 6, 2014: *KCNA* issues a [commentary](#) headlined: "Park Geun Hye Is Wholly to Blame for Sinking of Ferry." *Inter alia* this calls her "a depraved old lady who has neither human ethics nor conscience and the worst traitor and sycophant."



China-Korea Relations:
China's Red Line on the Korean Peninsula

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South Korean President Park Geun-hye in her Jan. 6 news conference indicated that relations with China had reached an historic high point, but increasing North Korean belligerence poses a challenge to full implementation of the China-ROK Joint Statement forged with President Xi Jinping in June 2013. Tensions have escalated on the peninsula since late February as North Korea responded to annual US-ROK military exercises and President Obama's Asia visit in April with missile launches, exercises resulting in an exchange of artillery fire, and threats to conduct a "new form" of nuclear test in response to US "hostility." China criticized US actions as provoking Pyongyang and reinforcing US-led "rebalancing" against China. China and the ROK have continued to build on their cooperative strategic partnership. Xi and Park met on the sidelines of the Nuclear Security Summit in the Netherlands on March 23 and held telephone talks a month later. On April 10, PRC Premier Li Keqiang and ROK Prime Minister Jung Hong-won met on the sidelines of the Boao Forum for Asia in Hainan, while Foreign Ministers Wang Yi and Yun Byung-se held periodic telephone talks on peninsula tensions.

In contrast, China-DPRK contacts have been limited to low-level visits and routine "friendship" exchanges. The highest level meeting in early 2014 occurred between Xi Jinping and North Korean President Kim Jong Nam on the sidelines of the Sochi Winter Olympics. China's diplomatic engagement with North Korea has been primarily driven by efforts to mediate the resumption of the Six-Party Talks. Within a week following the resumption of inter-Korean talks on Feb. 12, Chinese Vice Foreign Minister Liu Zhenmin held consecutive meetings with North and South Korean counterparts. PRC Special Representative for Korean Peninsular Affairs Wu Dawei visited North Korea on March 17-21 and held bilateral consultations with South Korean and US counterparts in mid-April. Beijing's recent dialogue efforts followed US-ROK-Japan trilateral talks on April 7 in Washington, where the three allies reaffirmed the UN Security Council's "unanimous condemnation" of the DPRK's ballistic missile launches in violation of Resolutions 1718, 1894, 2087, and 2094.

High-level commitment to the China-ROK strategic partnership

The Xi Jinping and Park Geun-hye administrations have taken steps to implement their 2013 agreements and action plan despite an atmosphere of tension on the Korean Peninsula. China's Foreign Ministry on Jan. 7 showed a positive response to Park's New Year remarks on the status of the bilateral relationship, indicating that her June 2013 state visit to China "left Chinese a deep and good impression." On Feb. 20-23, lawmaker Chung Mong-joon of the ruling Saenuri Party, who is head of the China-ROK Inter-Parliamentary Council and chairman of Hyundai Heavy Industries, led a delegation of more than 40 National Assembly members to China, where he met

President Xi, Chairman of the Standing Committee of the National People Congress (NPC) Zhang Dejiang, and Vice Chairman and Secretary-General of the NPC Standing Committee Wang Chen. The South Korean delegation, which included ruling and opposition party members, was South Korea's biggest parliamentary delegation to visit China since normalization of relations in 1992. At a parliamentary session in Seoul on Feb. 10, ROK Foreign Minister Yun Byung-se raised the need to consider an intelligence-sharing agreement with China as a means to strengthen bilateral strategic trust. South Korea pushed for a similar agreement with Japan in 2012, an effort that broke down due to significant public opposition.

Vice Foreign Minister Liu Zhenmin's February visit to Seoul following four days of "diplomatic consultations" with DPRK officials in Pyongyang was perceived in South Korea as an indicator of strengthened Sino-South Korean coordination. Liu's visit included meeting ROK counterpart Lee Kyung-soo, Foreign Minister Yun Byung-se, Unification Minister Ryoo Kihl-jae, who is also senior foreign affairs and security advisor to President Park Geun-hye. China and South Korea also reiterated their cooperation on nontraditional security issues during talks in Beijing between PRC State Councilor and Minister of Public Security Guo Shengkun and ROK counterpart Lee Sung-han on Feb. 27. In a meeting in Beijing on April 3, Beijing Mayor Wang Anshun and Seoul Mayor Park Won-soon signed a bilateral agreement on tackling air pollution and agreed to establish a joint committee on economic and cultural exchanges between Beijing and Seoul. These developments suggest steady improvement in China-South Korea relations, building on the framework set during Park's June 2013 state visit to Beijing.

Park's "two-track approach" to DPRK denuclearization

China's Foreign Ministry consistently made public calls for restraint on the Korean Peninsula from mid-January as Pyongyang stepped up its opposition to US-ROK annual military exercises held from February through April. The DPRK National Defense Commission (NDC) on Jan. 16 threatened a "nuclear disaster" on the peninsula while urging Seoul to take practical steps to end "all hostile military acts." Seoul responded by calling for "real action" toward denuclearization. However, Beijing responded positively to the resumption of high-level inter-Korean talks and the resulting agreement to hold family reunions at Mount Kumgang. Beijing also welcomed Park Geun-hye's "trust-building" initiatives and her March 28 Dresden proposal, which seeks to regularize family reunions and expand humanitarian aid, expand economic cooperation, and promote inter-Korean integration.

President Park seeks stronger cooperation from both China and the United States in pursuit of Park's "principled and effective two-track approach" of pressure and dialogue. On the one hand, the ROK Foreign Ministry has developed plans to deepen alliance cooperation with the US while upgrading the comprehensive strategic partnership with China. On the other, the ROK's Defense Ministry released plans to implement a new "Tailored Deterrence Strategy" in military exercises with the US in February-April and August this year, which also combines diplomatic and military tools to address potential nuclear threats from the North. During talks with US Secretary of State John Kerry on Feb. 14 in Beijing, PRC Foreign Minister Wang Yi affirmed China's pledge to play a constructive role for regional stability, but also stated that China would "never" allow instability on the Korean Peninsula.

China's "red line" on the Korean Peninsula

North Korea's series of missile launches from Feb. 21 defied both Chinese calls for stability and Seoul's diplomatic outreach to the North. On the sidelines of China's annual parliamentary session on March 8, Foreign Minister Wang Yi reiterated China's "red line," stating that "we will not allow war or instability on the Korean peninsula," and detailed China's position on the peninsula situation. First, "only with denuclearization can the Korean Peninsula have genuine and lasting peace." Second, parties must address the lack of mutual trust between North Korea and the US in particular, the key source of "sustained tensions on the peninsula and several disruptions to the Six-Party Talks." Third, dialogue is "the only right way forward;" specifically, the Six-Party Talks is "the only dialogue mechanism acceptable to all the parties."

South Korea's quest for cooperation with China on a strategy that emphasizes both pressure and dialogue, however, remains challenged on both fronts. First, as China's Foreign Ministry spokesperson said on April 15, "China is opposed to any move that may result in tensions in the region, whether they be joint drills or the threat of conducting nuclear tests." Beijing has voiced its own concerns over US-ROK joint military exercises, perceived as not only a source of DPRK insecurity, but also part of US efforts to reassert its regional influence against China's rise.

Second, Chinese dialogue efforts remain focused on revitalizing diplomacy through the six-party framework, which South Korea and the US will not restart without firm commitments backed by actions from Pyongyang toward denuclearization. Following the renewal of US-Japan-ROK consultations among ambassadors to the Six-Party Talks, PRC envoy Wu Dawei pursued bilateral consultations with ROK envoy Hwang Joon-kook on April 11 and with US counterpart Glyn Davies from April 14. However, Chinese diplomacy has thus far proven unable to bridge the gap between Washington and Pyongyang sufficiently to resume Six-Party Talks.

Strained political and economic ties between China and North Korea

China-DPRK diplomatic exchanges reflect continued strain in the bilateral relationship. Contacts have remained limited to low-level visits, with routine "friendship" activities peaking around the Lunar New Year, Spring Festival, and Kim Jong Il's birthday in February. Perhaps the most notable signal of Beijing's displeasure with Pyongyang has been the low visibility of party-to-party interactions via the Chinese Communist Party's International Liaison Department as the PRC Foreign Ministry has taken the public lead in interactions with North Korea. The PRC Foreign Ministry on Feb. 12 confirmed a visit to Pyongyang by its Asia department chief for "internal" work at the PRC Embassy in North Korea as well as meetings with DPRK counterparts on bilateral and regional issues. Beijing also stressed that Vice Foreign Minister Liu Zhenmin's talks in Pyongyang on Feb. 17-20 were part of "routine communication" between the two foreign ministries. According to Chinese and North Korean sources, Liu met DPRK Foreign Minister Pak Ui Chun, Vice Foreign Ministers Kim Hyong Chun and Ri Yong Ho, Vice Director of the WPK International Department Kim Song Nam, and Vice President of the State Economic Development Commission Ri Chol Sok. During his five-day visit to North Korea on March 17-21, PRC nuclear envoy Wu Dawei also paid a courtesy call on Vice President of the DPRK Supreme People Assembly Presidium Kim Yong Dae on March 20.

China-DPRK trade reports, however, remained stable despite the December 2013 purge of Jang Song Thaek, which many predicted would lead to a decline in bilateral trade. The Institute for Far Eastern Studies reported that China-DPRK trade increased by 16 percent in January compared to the previous year, and by a further 16 percent to \$546 million in February. The Korea International Trade Association (KITA) reported a dramatic 46 percent drop in month-to-month trade between January and February, stimulating speculation in the South Korean media of problems in PRC-DPRK trade relations. However, one must be cautious in attributing significance to monthly shifts in the trade balance since there is an annual decline in recorded trade during the winter.

The current status of Chinese investment in North Korea remains unclear. South Korean media reports suggest limited Chinese investment activity in the cross-border special economic zones with North Korea. Furthermore, in an April 19 interview with Hong-Kong-based *Phoenix TV*, Kim Chun Il, a division chief at Rason port's foreign business bureau, even claimed that North Korea has never formally given China the exclusive rights to use the two piers at Rason.

Chinese and North Korean official sources suggest that economic exchanges have continued to expand at the local level. Hunchun Vice Mayor Han Changfa in Jilin province confirmed the launching of a Hunchun-Rason cross-border electric power transmission project on Jan. 7. On Jan. 14, Liaoning officials reported the near-completion of the China-DPRK Yalu River Bridge, a joint project that began at the end of 2010. Chon Tong Chol, director of the Rason Special City Tourism Bureau, held talks with the Jilin Provincial Tourism Bureau Director Zhao Xiaojun in Changchun on Feb. 25. In addition, the DPRK State General Bureau of Tourism conducted a 10-day tour in China in March for personnel training at Chinese tourism institutes in Beijing and Shanghai. China and North Korea opened a new train route from Ji'an to North Korea on April 13, making Ji'an the second Chinese city after Dandong with passenger rail service to the North.

Dandong Sanyi Business Advisory Service Agency and DPRK Yanggakdo Trade Corporation on Feb. 12 launched a joint project for Chinese cross-border business study in North Korea, while the DPRK State Academy of Sciences sent experts on a 12-day study tour at the Solar Energy Research Institute of Yunnan Normal University Feb. 19-March 2. According to local Chinese sources, Bureau Director Kye Song Nam of the DPRK National Committee for Economic Development led a delegation to China Liaoning International Cooperation Group for negotiations on a fish farming project on Feb. 21. Such developments suggest continued interest in expanding trade and investment ties at the local level. According to *KCNA* and local Chinese sources, Vice Department Director of the WPK Central Committee Ri Ho Son led a 16-member delegation of WPK to Shenzhen, Xian, Tianjin, and Beijing on March 27-April 10.

China-ROK FTA talks

The Xi Jinping and Park Geun-hye administrations remain committed to completing negotiations for the China-ROK Free Trade Agreement (FTA). This was the main subject of talks between Premier Li Keqiang and Prime Minister Jung Hong-won on the sidelines of the Boao Forum in Hainan on April 10. The 9th and 10th rounds of China-ROK FTA talks were held in Xian on Jan. 6-10 and in Ilsan on March 17-21, led by PRC Assistant Commerce Minister Wang Shouwen and ROK Commerce Minister Woo Tae-hee. However, the latest round of negotiations

concluded with both sides confirming “differences” on goods liberalization. While South Korea continues to seek the early removal of tariffs on manufacturing products, China seeks to expand the liberalization of farm goods. The ROK Ministry of Trade, Industry and Energy’s press release in March stated that “discussions could not progress significantly as their differences remain tightly locked.”

Illegal fishing is another issue that may impede the conclusion of FTA talks. Seoul is seeking to include a provision in the FTA that would prevent illegal fishing, a major source of diplomatic tensions that has involved 69 South Korean deaths or injuries since January 2003 according to the ROK Ministry of Oceans and Fisheries. In addition, in an interview with *Yonhap* on March 5, ROK Trade Minister Yoon Sang-jick stressed the need to diversify South Korea’s export markets given concerns over the potential impact of China’s slowing economic growth. South Korea’s record-high share of exports to China in 2013 has raised similar concerns among KITA officials over South Korea’s heavy export dependence on China. As South Korea’s biggest export market, China accounted for over 26 percent (\$141 billion) of South Korea’s total exports in 2013, more than double the volume of ROK exports to the United States.

Tensions with Japan and China-ROK cooperation

Political and security tensions with Japan have also been a subject of China-ROK bilateral cooperation. But while China has enthusiastically embraced opportunities to join with South Korea in criticism of Japan, South Korea finds it necessary to show restraint given the stresses that such cooperation places on the US-ROK alliance and US expectations that its allies South Korea and Japan will remain aligned with each other. Both Chinese and ROK leaders condemned Japanese Prime Minister Abe Shinzo’s visit to the Yasukuni Shrine in December, which also drew heavy criticism from PRC, ROK, and DPRK representatives at a UN Security Council debate on Jan. 29. Following South Korean plans to apply to register records with UNESCO on Japan’s comfort women, the PRC Foreign Ministry spokesperson on Jan. 16 affirmed China’s willingness to work with South Korea on “similar experiences and common concerns on Japan-related historical issues.” The PRC responded fulsomely to President Park’s request for China to establish a memorial to South Korean independence fighter Ahn Chung-gun in Harbin at the site where Ahn assassinated Japanese Governor General Ito Hirobumi, providing not just a memorial plaque in honor of Ahn, but also a small museum. Too much China-South Korean coordination on history issues, however, runs the risk of drawing negative responses not only in Tokyo, but also in Washington. On the other hand, South Korea’s Ambassador to the US Ahn Hoyoung expressed satisfaction with South Korea’s handling of China’s unilateral declaration of its Air Defense Identification Zone (ADIZ) following President Obama’s visit to Seoul in early May, claiming that South Korea’s declaration of its own zone was met with a positive response from all of its neighbors. Other outcomes of China-ROK cooperation since the Xi-Park summit include South Korea’s March 28 return of the remains of Chinese soldiers killed in the Korean War and the ongoing construction of a memorial stone at the former barracks of the Korean Liberalization Army in Xian.

China and South Korea continue to move forward in their trilateral cooperation initiatives with Japan in trade and nontraditional security. The three parties held their fourth round of trilateral FTA talks in Seoul on March 4-7, and participated in the fourth round of ASEAN-led Regional

Cooperative Economic Partnership (RCEP) talks hosted by China in April. Furthermore, since Japan's participation in the Trans-Pacific Partnership (TPP) talks from July 2013 and South Korea's indication of TPP interest in November 2013, Beijing has expressed its own support of the US-led TPP. According to some Chinese analysts, however, limited prospects for a China-ROK-Japanese FTA are shifting China's focus toward its bilateral FTA with South Korea.

History and territorial issues have disrupted the annual China-ROK-Japan trilateral summit since 2012. The Trilateral Cooperation Secretariat instead held a lower-level International Forum for Trilateral Cooperation on April 15, where South Korea's Senior Presidential Foreign Affairs Secretary Ju Chul-ki called for expanding cooperation on "softer" issues such as energy and the environment and people-to-people exchanges. Tokyo hosted the second China-ROK-Japan Trilateral Table Top Exercise on disaster management on March 6-7, and PRC Vice Environment Minister Li Ganjie and ROK and Japanese Environment Ministers Yoon Seong-kyu and Ishihara Nobuteru signed a Joint Communiqué on Environmental Cooperation at the 16th trilateral Environment Ministers Meeting in Daegu on April 28-29.

Conclusion: will the fourth nuclear test be the end of the "(red) line"?

Despite personal commitments of Chinese and South Korean leaders to advancing their strategic cooperative partnership, the recent escalation of North Korean military provocations places a premium on addressing one of the most sensitive and potentially divisive issues in the relationship. Despite common goals of DPRK denuclearization and regional stability, Seoul's two-track strategy of pressure and dialogue appear in conflict with a Chinese "red line" that opposes not only DPRK aggression but also South Korea's military alliance with the US. These differences are manifestations of the deeper challenge for the two sides regarding how to peacefully achieve Korean reunification while providing China with assurances that any shift in political arrangements on the peninsula will not disadvantage China's national interests.

To address these issues, China and South Korea have begun to explore and develop common security interests, which in the past have lagged far behind development of their economic relationship. According to a *China Daily* editorial in January 2014: "Long gone are the Cold War days when China was inclined to engage with the DPRK and estrange itself from the ROK.... At a time when there is no quick fix to the peninsula issue and the DPRK's nuclear program, the deepening China-ROK ties carry significant weight in promoting peace and stability on the peninsula." This statement suggests that China has begun to recognize that South Korea will likely play the dominant political role on the Korean Peninsula. At her joint press conference with President Obama on April 25, President Park laid down a clear marker for both North Korean and Chinese future behavior in the context of a possible fourth North Korean nuclear test when she stated another test "is going to change fundamentally the security landscape and . . . that all our efforts to resolve the nuclear issue through the Six-Party Talks is going to be completely dissolved." Park then acknowledged the "strong role to be played by China" and that she "looks forward to China's leading role in making sure that the threat is not going to be translated into action." As one considers the likely international response to a fourth North Korean nuclear test, President Park has placed the ball firmly in Beijing's court.

Chronology of China-Korea Relations

January – April 2014

Jan. 7, 2014: Hunchun Vice Mayor Han Changfa announces the launch of the Hunchun-Rason cross-border electric power transmission project.

Jan. 6, 2014: ROK President Park Geun-hye at a national news conference hails the current status of China-ROK relations.

Jan. 6-10, 2014: Ninth round of China-ROK Free Trade Agreement (FTA) talks are held in Xian, Shaanxi.

Jan. 7, 2014: PRC Foreign Ministry spokesperson positively assesses President Park's Jan. 6 statements on bilateral ties.

Jan. 7, 2014: ROK Defense Ministry spokesperson reports to *Xinhua* ROK efforts to return by April 2014 the remains of Chinese People's Volunteer soldiers killed in the Korean War.

Jan. 16, 2014: PRC Foreign Ministry spokesperson calls for restraint on the Korean nuclear issue amid tensions over US-ROK plans for annual joint military exercises in February.

Jan. 16, 2014: PRC Foreign Ministry spokesperson expresses China's willingness to work with South Korea on history issues related to Japan.

Jan. 16, 2014: Kim Ki Sok, chairman of the DPRK State Commission for Economic Development, Huang Shizai, president of the Great China International Group, and Yang Zuoyuan, economic and commercial councilor of the Chinese Embassy in Pyongyang, participate in an opening ceremony for an East Pyongyang shopping center.

Jan. 17, 2014: PRC Foreign Ministry spokesperson calls for inter-Korean reconciliation.

Jan. 19, 2014: Ahn Jung-geun memorial hall opens in Harbin. South Korea's Foreign Ministry expresses support.

Jan. 20, 2014: PRC Foreign Ministry spokesperson justifies the establishment of the Ahn Jung-geun memorial in response to Japanese opposition.

Jan. 22, 2014: PRC Ambassador Liu Hongcai holds a meeting at the Taedonggang Diplomatic Club to mark Spring Festival. Kim Chin Bom, KCCRFC and KCFA vice chairman, and Ri Sun Chol, vice minister of culture attend.

Jan. 22, 2014: PRC Foreign Ministry spokesperson upholds China's commemoration of Korean "anti-Japanese activist" Ahn Jung-geun in response to Japanese criticism.

Jan. 23, 2014: 2014 Lunar New Year China-DPRK friendship meeting is held in Sunan District, Pyongyang, attended by Ambassador Liu, KCCRFC Vice Chairman Kim, and Vice Chairman of Pyongyang City People's Committee Hong Kwang Ung.

Jan. 27, 2014: Ambassador Liu hosts a meeting with officials of the DPRK Foreign Ministry on the occasion of the New Year, attended by Vice Foreign Minister Kim Hyon Chun.

Jan. 28, 2014: PRC Foreign Ministry spokesperson expresses support for inter-Korean reconciliation.

Jan. 29, 2014: PRC, ROK, and DPRK representatives at a UN Security Council debate criticize Japanese Prime Minister Abe's visit to the Yasukuni Shrine.

Feb. 1, 2014: Kim Jong Un sends New Year cards to President Xi and other Chinese officials.

Feb. 7, 2014: *Korean Central News Agency* reports that President Xi and President of the DPRK Supreme People's Assembly Kim Yong Nam meet on sidelines of the Sochi Winter Olympics.

Feb. 8, 2014: Chinese and ROK experts at a Shanghai Normal University and Sung Kyun Kwan University forum agree to strengthen cooperation on protecting "comfort women" documents.

Feb. 11, 2014: PRC Foreign Ministry spokesperson expresses concern over US-ROK military drills scheduled for February-April.

Feb. 12, 2014: PRC Foreign Ministry confirms a visit to Pyongyang by the chief of the ministry's Asia Department.

Feb. 12, 2014: Dandong Sanyi Business Advisory Service Agency and DPRK Yanggakdo Trade Corporation launch a joint project for Chinese business study in North Korea.

Feb. 12, 2014: China Southern Airlines announces plans to launch a direct air route between Xinjiang and Seoul, the first international route linking Xinjiang with Northeast Asia.

Feb. 12, 2014: PRC Foreign Ministry spokesperson expresses support for the start of the first high-level inter-Korean talks in seven years.

Feb. 13, 2014: DPRK Embassy in Beijing hosts a reception celebrating Kim Jong Il's birthday, attended by Wang Jiarui, head of the CPC International Liaison Department, Vice Foreign Minister Liu Zhenmin, and Chairman of the China-Korea Friendship Association Wu Donghe.

Feb. 14, 2014: PRC Foreign Ministry spokesperson expresses support for an inter-Korean three-point agreement reached at high-level talks.

Feb. 14, 2014: PRC Foreign Minister Wang Yi tells visiting US Secretary of State John Kerry in Beijing that China will never allow instability on the Korean Peninsula.

Feb. 16, 2014: China Chamber of International Commerce and the DPRK Chinese Chamber of Commerce hold an economic and trade forum in Dandong.

Feb. 17-20, 2014: PRC Vice Foreign Minister Liu Zhenmin visits North Korea for consultations with officials from the DPRK Ministry of Foreign Affairs, Workers' Party of Korea, DPRK Economic Development Commission, and other departments.

Feb. 17, 2014: PRC Foreign Ministry spokesperson defends China's position on human rights in response to a report by UN Commission of Inquiry on Human Rights in North Korea.

Feb. 20, 2014: PRC Foreign Ministry spokesperson supports inter-Korean family reunions.

Feb. 20, 2014: DPRK Ambassador Ji Jae Ryong and PRC Vice Minister of Culture Ding Wei attend a reception hosted by the Chinese Ministry of Culture on the 55th anniversary of the conclusion of China-DPRK agreements on cultural cooperation.

Feb. 20-22, 2014: PRC Vice Foreign Minister Liu Zhenmin visits South Korea, where he meets ROK counterpart Lee Kyung-soo, Foreign Minister Yun Byung-se, and Unification Minister Ryoo Kihl-jae, who is also senior foreign affairs and security advisor to President Park.

Feb. 20-23, 2014: Chung Mong-joon, head of the ROK-China Inter-Parliamentary Council, leads a delegation of more than 40 ROK National Assembly members to China, where he meets President Xi Jinping, chairman of the Standing Committee of China's National People Congress (NPC), and Wang Chen, vice chairman and secretary general of the NPC Standing Committee.

Feb. 21, 2014: Bureau Director Kye Song-nam of the DPRK National Committee for Economic Development leads an economic and trade delegation to China Liaoning International Cooperation Group for negotiations on a fish farming project.

Feb. 25, 2014: Jilin Provincial Tourism Bureau Director Zhao Xiaojun and Chon Tong-chol, director of the DPRK Rason Special City Tourism Bureau, hold talks in Changchun.

Feb. 27, 2014: Guo Shengkun, PRC state councilor and minister of public security, and ROK counterpart Lee Sung-han hold talks in Beijing.

Feb. 27, 2014: PRC Foreign Ministry spokesperson hopes for inter-Korean reconciliation.

Feb. 28, 2014: PRC Foreign Ministry spokesperson calls for easing tensions on the Korean Peninsula in response to North Korea's reported missile launches on Feb. 27.

March 3, 2014: Direct postal service from Hunchun to Rason begins.

March 3, 2014: ROK Deputy Foreign Minister Lee Kyung-soo meets PRC Ambassador Qui Guohong and expresses Seoul's condemnation of terrorist attacks in Kunming.

March 4, 2014: DPRK Premier Pak Pong Ju sends a message of sympathy to PRC Premier Li Keqiang on the terrorist incident in Kunming.

March 4-7, 2014: China, South Korea, and Japan hold their fourth round of FTA talks in Seoul.

March 5, 2014: PRC Foreign Ministry spokesperson expresses concern over North Korea's reported missile launches.

March 6, 2014: PRC Foreign Ministry spokesperson expresses concern over Chinese civil aviation safety after North Korea's reported rocket launch.

March 6-7, 2014: Second China-ROK-Japan Trilateral Table Top Exercise on disaster management is held in Tokyo.

March 8, 2014: PRC Foreign Minister Wang Yi at a press conference for China's annual parliamentary session expresses China's opposition to war or instability on the Korean Peninsula and calls for early resumption of the Six-Party Talks.

March 10-20, 2014: Delegation of the DPRK State General Bureau of Tourism led by Vice Director-General Cho Song Kol visits China for personnel training at Chinese tourism institutes in Beijing and Shanghai.

March 11, 2014: PRC, DPRK, and Russian directors of tourism departments in the Tumen River Area hold a conference in Hunchun.

March 15-17, 2014: Delegation of the DPRK International Exhibition Cooperation meets Dandong City Vice Mayor Pan Shuang and the Dandong City Council for the Promotion of International Trade to discuss the PRC-DPRK Expo.

March 17, 2014: PRC Foreign Ministry spokesperson calls for stability on Korean Peninsula.

March 17-21, 2014: PRC Special Representative for Korean Peninsular Affairs Wu Dawei visits North Korea. Wu pays a courtesy call on Kim Yong Dae, vice president of the DPRK Supreme People Assembly Presidium, on March 20.

March 17-21, 2014: Tenth round of China-ROK FTA talks is held in Ilsan, South Korea.

March 23, 2014: Presidents Xi and Park hold talks on the sidelines of the Nuclear Security Summit in the Netherlands.

March 24, 2014: President Xi calls for the resumption of Six-Party Talks at a meeting with President Obama on the sidelines of the Nuclear Security Summit in the Netherlands.

March 27-April 10: Ri Ho-son, vice department director of the WPK Central Committee, leads a delegation of WPK economic officials to major Chinese cities.

March 28, 2014: Remains of 437 Chinese soldiers killed in the Korean War are returned from South Korea to China.

April 3, 2014: Beijing Mayor Wang Anshun and Seoul Mayor Park Won-soon meet in Beijing.

April 3, 2014: PRC Foreign Ministry spokesperson expresses support for inter-Korean reconciliation in response to ROK President Park Geun-hye's proposals toward unification.

April 8, 2014: PRC Foreign Ministry spokesperson calls for "caution" on the Korean Peninsula after US, ROK, and Japanese nuclear envoys hold trilateral talks in Washington on April 7.

April 10, 2014: PRC and ROK Foreign Ministers Wang Yi and Yun Byung-se hold telephone talks on Korean Peninsula tensions.

April 10, 2014: PRC Premier Li Keqiang meets ROK Prime Minister Jung Hong-won on the sidelines of the Boao Forum for Asia in Hainan.

April 11, 2014: PRC nuclear envoy Wu Dawei meets ROK counterpart Hwang Joon-kook.

April 13, 2014: A train route opens from Jian, Jilin to North Korea.

April 15, 2014: China-ROK-Japan International Forum for the Trilateral Cooperation 2014 is held in Seoul.

April 15, 2014: PRC Foreign Ministry spokesperson pledges that China will play a "positive role" on the Korean Peninsula.

April 17, 2014: PRC President Xi Jinping and Premier Li Keqiang send condolence messages to ROK counterparts over the fatal ferry accident.

April 22, 2014: China-ROK-Japan Northeast Asia Trilateral Forum, sponsored by *Xinhua*, *JoongAng Ilbo*, and *Nikkei*, opens in Jiangsu province, China.

April 23, 2014: Presidents Xi and Park hold telephone talks.

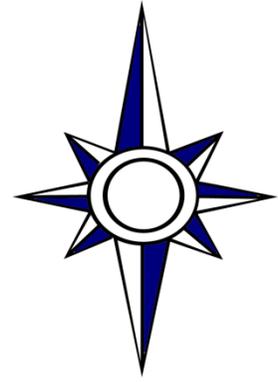
April 25, 2014: President Park at a joint press conference with President Obama emphasizes China's role in addressing the DPRK nuclear issue.

April 28-29, 2014: PRC Vice Environment Minister Li Ganjie, and ROK and Japanese Environment Ministers Yoon Seong-kyu and Ishihara Nobuteru hold 16th trilateral Environment Ministers Meeting in Daegu, Korea.

April 29, 2014: PRC Foreign Ministry spokesperson calls for easing tensions on the peninsula in response to DPRK military drills.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



Japan-China Relations: Past as Prologue

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History dominated the Japan-China relationship in the early months of 2014. Controversies over the Yasukuni Shrine, the Senkaku/Diaoyu Islands, Ahn Jung-geun, the Kono and Murayama Statements, Nanjing, compensation for wartime forced labor, and China's seizure of a Mitsui ship over a wartime-related contract dispute marked the four months, ending almost where the year began with Prime Minister Abe making an offering to the Yasukuni Shrine during the spring festival. Meanwhile, Chinese Coast Guard ships continued to operate on an almost daily basis in Japan's contiguous zone in the Senkakus, occasionally entering territorial waters. In response, Japan continued to strengthen the presence of the Self-Defense Forces in Okinawa and the southwest islands.

History: Yasukuni

On the morning of Dec. 26, Prime Minister Abe Shinzo paid homage at the Yasukuni Shrine. In a contribution to the *Mainichi Shimbun*, China's Ambassador Cheng Yonghua defined Abe's visit as both a "political and diplomatic issue," bearing not only on Japan's past but its future as well. China had "no objection to private citizens mourning their deceased relatives, but a visit by Japan's leader ... is an issue bearing on Japan's perception of the nature of the war of aggression and responsibility for that war." Abe's visit was "absolutely unacceptable to China." As for the prime minister's post-visit statement pledging his commitment to "everlasting peace" Cheng wrote "the Yasukuni Shrine is the wrong place to pledge everlasting peace." The issue is "absolutely not just a domestic political issue or a personal matter"; China hoped that "Japanese politicians realize the nature of the problem..."

The aftershocks carried into the new year, as Chinese and Japanese ambassadors contributed dueling op-eds in newspapers across the globe. In a Jan. 1 op-ed in the *Daily Telegraph*, China's Ambassador to the United Kingdom Liu Xiaoming cast militarism as the "haunting Voldemort of Japan" and the Yasukuni Shrine as "a kind of horcrux representing the darkest parts of that nation's soul." In reply, Japan's Ambassador Hayashi Keiichi posed China's choices as either to "seek dialogue and abide by the rule of law" or "play the role of Voldemort in the region by letting loose the evil of an arms race and escalation of tensions...."

* The views expressed in this article are the views of the author alone and do not necessarily represent the views or policy of the National Defense University, the Department of Defense, or the U.S. government.

Polling on Abe's Yasukuni visit revealed a split decision on the visit itself, but an increase in support for the Abe government following the visit. In a *Kyodo* public opinion poll, taken Dec. 28, support for the Abe government increased 1 percent, while support for the visit was equally divided, 47.1 percent opposed and 43.1 percent in support. A *Tokyo Shimbun* poll, conducted Dec. 28-29, revealed similar results: 43.2 percent of respondents supported the visit; 47.1 percent opposed. However, support for the Abe government increased from 54 percent to 55 percent. In a *Sankei Shimbun* poll, conducted Jan. 4-5, support for the prime minister increased to 52.1 percent up 4.7 percent from the previous mid-December survey, while 53 percent of respondents opposed the Yasukuni visit and 38.1 percent supported it. A *Yomiuri Shimbun* poll, conducted Jan. 10-12 revealed similar results: 45 percent supported the visit while 47 percent opposed. In a Jan. 25-26 poll conducted by the *Asahi Shimbun*, 41 percent of respondents supported the visit and 46 percent opposed it.

On Jan. 14, Foreign Minister Kishida Fumio told a press conference that the prime minister's visit to Yasukuni Shrine should not be made into a political and diplomatic issue. As for the Kono and Murayama Statements, Kishida pointed out that the Abe government had maintained both statements. The Chinese Foreign Ministry spokesperson took issue with Kishida's presentation, saying that "we get the distinct impression that the Japanese government deliberately evades the history of militaristic aggression, shuts its eyes to the severe damage caused by Abe's visit to the Yasukuni Shrine ... and always takes the Kono Statement and the Murayama Statement as its shield." He said "What Abe has done has denied the spirit of the Kono Statement and the Murayama Statement. The Japanese side always says one thing and does another on historical issues."

Prime Minister Abe meanwhile continued to maintain that it is only natural for the leader of a country to pay his respects to those who had sacrificed their lives on behalf of their country and that he would continue to pray for their happiness in the next world. At the same time, he regretted that his visit had become a diplomatic and political issue. However, he declined to say whether he would visit the shrine in the future.

Abe did not visit the shrine during the April 21-23 spring festival, electing to send a plant offering instead. On April 22, 146 members of the Diet visited the shrine however, along with Cabinet members Furuya Keiji and Internal Affairs Minister Shindo Yoshitaka. China's response was to cast the Shrine as "a relationship wrecker a negative asset," which "if the Japanese leader is bent on holding the negative asset, the amount will only get bigger as time goes by." Chief Cabinet Secretary Suga Yoshihide found such criticism to be "inappropriate."

History: Senkakus

At the end of January, the Ministry of Education, Culture, Sports and Technology instructed Japanese junior and senior high schools to use newly revised instruction manuals and textbooks teaching that the Senkakus and Takeshima are "integral parts of Japan's territory." Minister of Education Hakubun Shimomura told a press conference that "it is natural for a state to teach its children about integral parts of its own territory." In Beijing, the Foreign Ministry spokesperson expressed China's "grave concerns" and announced that China had made "solemn representations" with the Japanese side. She went on to emphasize that the Diaoyu Islands have

been China's territory since ancient times, commenting that "no matter how it racks its brain to propagandize for its erroneous position ... Japan cannot change the basic fact that the Diaoyu Islands belong to China."

Appearing on Feb. 4 television news program, former Minister of Defense Morimoto Satoshi and former Vice Minister of Foreign Affairs Tanaka Hitoshi called for close cooperation with the US to deal with China's repeated challenges to Japanese sovereignty in the Senkakus.

A month later on March 8, during the National People's Congress (NPC), Foreign Minister Wang Yi told reporters that China could find no room for compromise on issues related to history and sovereignty. He noted that the present state of bilateral relations did not comport with the interests of both China and Japan, but went on to point out that the recent actions of Japan's leaders with respect to history, Taiwan, and the Diaoyu Islands had violated the spirit of and shattered the common understandings that had served as the foundation of normalization.

On April 4, Japan's Ministry of Education announced that beginning in April 2015 all elementary school textbooks would include references to territorial issues related to the Senkakus and Takeshima. At the same time, Japan's *2014 Diplomatic Blue Book* reasserted Japanese claims to the Senkakus. In Beijing, the Foreign Ministry spokesperson told reporters that the Blue Book "maliciously hypes up the so-called China threat" and that it is "no one else but Japan that stirs up trouble and changes the status quo of the Diaoyu Islands and the East China Sea with unilateral actions." As for the textbook references, he observed that China had been "requiring Japan to face up to history with honesty and teach the next generation with a correct conception of history ... and should tell younger generations what is true about the Diaoyu Islands." Subsequently, Tokyo announced that it would shortly release a pamphlet on the Senkaku Islands. Under the heading "China's Challenge," the document asserts that China "made its claim to the islands for the first time after the possibility of oil reserves was mentioned."

History: Ahn Jung-geun

China opened a memorial on Jan. 19 in the Harbin railroad station to honor Anh Jung-geun, a Korean resistance leader, who assassinated Japan's Governor-General of Korea Ito Hirobumi on Oct. 26, 1909. Chief Cabinet Secretary Suga called Anh a "terrorist" who had been sentenced to death for his crime and asserted that "Korea and China holding hands and spreading groundless assertions ... based on a unilateral view will not be helpful to the peace and cooperative relations of this region." Responding to Suga's remarks, the Foreign Ministry spokesperson called Anh "an upholder of justice who fought against Japan's aggression." Rhetorically, the spokesperson asked if Ahn were to be considered a terrorist "what about the 14 Class-A war criminal honored in the Yasukuni Shrine?"

History: Kono and Murayama Statements

During a Lower House meeting of Jan. 24, Prime Minister Abe, addressing the Kono and Murayama Statements, acknowledged that Japan "had caused tremendous damage and suffering to the people of many countries, particularly Asian nations" He went on to reaffirm that "the

Abe Cabinet shares the view and upholds the positions of the previous Cabinet.” Abe reiterated his government’s position during an Upper House Budget Committee hearing on March 3.

As controversy over a review of the Kono Statement continued to build, Abe told the Upper House Budget Committee on March 14 that “I am deeply pained to think of the comfort women who experienced immeasurable pain and suffering, a feeling I share with my predecessors.” The prime minister stated “I am not thinking of revising (the Statement) under my Cabinet.” Abe added that his Cabinet would continue to hold to the Murayama Statement and that historical problems should not become political or diplomatic issues but should be left to historians.

Two days later, Premier Li Keqiang joined the history debate telling the opening session of the NPC that China would not permit any country to “reverse the course of history.” Responding, Chief Cabinet Secretary Suga told reporters that Japan is not about to reverse the course of history – that since the end of the war Japan had consistently followed the path of freedom, peace and democracy. He then called attention to China’s 12.2 percent increase in defense spending, the fourth consecutive year of a double-digit increase, noting that China’s defense policy and lack of transparency are “raising international concerns.”

In mid-March, Haguida Koichi, special advisor to Prime Minister Abe suggested that if the Kono review team discover new facts, the government should issue a new statement on the comfort women issue. On March 24, Chief Cabinet Secretary Suga made clear that would not happen, telling reporters that Abe had repeatedly said that the Kono Statement would not be revised; “that explains it all.” Suga pointed out that Haguida was speaking as an individual in his private capacity, whereas his statement reflected official government policy. Two days later, Minister of Education Shimoura took issue with Suga and the prime minister, asserting that Abe’s March 14 statement did not reflect “a unified government position.”

In an April 8 interview with the *New York Times*, Foreign Minister Kishida Fumio addressed the continuing discussion of the comfort women issue and the Kono Statement. Kishida observed that “criticism about historical revisionism is coming because people who are not members of the government are making outlandish remarks, and these are then understood as being the historical views of the Abe Cabinet.” He found this to be “unfortunate and regrettable” and emphasized that the prime minister and his government “are firmly continuing the views on history, and the position on history of previous administrations.”

History: Nanjing

Nanjing resurfaced as a history issue when on Feb. 3, Hyakuta Naoki, a member of the NHK Board of Governors, denied the reality of the Nanjing Massacre. China’s Foreign Ministry spokesperson found Hyakuta’s remarks to be a “blatant challenge to international justice and human conscience, representing efforts by a “handful of people in Japan ... to blot out, cover up and distort that history.” Meanwhile, the Standing Committee of the NPC debated proposals to create new national holidays: Sept. 3, as “victory in the war of resistance against Japan day” and Dec. 13 as “national memorial day for the victims of the Nanjing Massacre.”

On March 28, in an address delivered in Berlin, President Xi returned to Nanjing, asserting that Japan's Imperial Army was responsible for the deaths of 300,000 residents of the city, a memory still "fresh" in Chinese minds. Chief Cabinet Secretary Suga found Xi's remarks, made in a third country, to be "extremely unproductive." Suga said the Japanese government is not denying the reality of the Nanjing Massacre but that differences remained over the number of lives lost. The Foreign Ministry called in the counselor of the Chinese Embassy to protest Xi's remarks.

On April 4, *Kyodo* reported that the Nanjing municipal government was considering designating as cultural sites the buildings used as comfort stations.

History: forced labor

A group of 37 Chinese plaintiffs filed suit on Feb. 26 in People's Intermediate Court in Beijing, seeking damages of \$163,000 per plaintiff from Mitsubishi Materials Corporation and Mitsui Mining for wartime forced labor. Chief Cabinet Secretary Suga told a press conference that issues of liability had been resolved at the time of normalization. In mid-March, *Jiji Press* reported that the court had agreed to hear the plaintiff's suit. On March 25, Foreign Minister Kishida told the Upper House Foreign Policy and Defense Committee that the court's action would unavoidably cast a deep shadow on the Japan-China economic relations and give rise to similar legal proceedings. He reiterated that the suit lacked legal standing and all issues regarding reparations had been settled by the 1972 agreement on normalization.

History: wartime maritime compensation

The Shanghai Maritime Court approved the impoundment of the Mitsui ship *Baosteel Emotion* on April 18. The Court found for the Chinese plaintiffs seeking compensation for two ships chartered from China's Chung Wei Steamship Company and lost during the war. In 2010, a Chinese court had awarded plaintiff's approximately \$28 million in compensation. Subsequent out-of-court negotiations with Mitsui failed to produce agreement, and, in December 2013, the plaintiffs asked the court for an impoundment order, which the Court executed when the *Baosteel Emotion* arrived near Shanghai.

As in the forced-labor suit, Tokyo maintained that all reparations claims were resolved at the time of normalization and that, accordingly, no issue exists. Chief Cabinet Secretary Suga said that the seizure could not help but have "a chilling effect" on Japanese companies operating in China, adding "we are deeply apprehensive and expect China to take appropriate measures." China's Foreign Ministry spokesperson cast the dispute as "an ordinary one involving commercial contract disputes, having "nothing to do with reparations." He went to reassure foreign businesses operating in China that "China will continue to protect the lawful rights of foreign-invested enterprises in China."

On April 21, Mitsui O.S.K. Lines released a statement, noting that "the company, while contacting the maritime court, had been calling on the plaintiff to hold out-of-court negotiations to reach a settlement. But the ship was seized without prior notice." On April 24, the *Mainichi Shimbun* reported that Mitsui had paid over ¥2.9 billion plus interest, totaling an estimated ¥4 billion to the plaintiffs as directed by court order.

Prime Minister Abe

During his first press conference of 2014 on Jan. 6, Prime Minister Abe, emphasized the importance of public debate on the revision of Japan's constitution. Abe characterized Japan's relations with China and Korea as being of great importance for regional peace and stability. While acknowledging that prospects for dialogue were not promising because of difficult problems, he nevertheless wanted to hold "open discussions without preconditions." Reiterating that "the door to dialogue is always open," he added that he wanted to explain his visits to the Yasukuni Shrine "sincerely and directly" to the leaders of China and South Korea.

Commenting on Abe's remark, China's Foreign Ministry spokesperson accused Abe of "playing a double game in China-Japan relations." In visiting the Yasukuni Shrine, he had disregarded China's "firm opposition ... and "severely damaged the political foundations of China-Japan relations. The spokesperson observed that "judging from his moves, we can easily notice that Abe is hypocritical when he pays lip service to improving relations with China. In fact it is Abe himself who shuts the door on dialogue with Chinese leaders."

On January 22, following his address to the World Economic Forum in Davos, Prime Minister Abe met with the International Media Council. Responding to a question on the possibility of military conflict between China and Japan, Abe noted that close economic ties had existed between Germany and England in the years before World War I and reiterated the importance of communication between Japan and China to avoid such consequences.

However, a representative of the *Financial Times* attending the media session tweeted Abe's remarks as not denying the possibility of a China-Japan conflict. In response, Chief Cabinet Secretary Suga spoke to the details of Abe's remarks, acknowledging that Abe had touched on the possibility of conflict between Japan and China but making the point that it was therefore critical to work to prevent such a situation from again arising. Suga explained that Abe wanted to emphasize that conditions such as those that led to the outbreak of the war could only be resolved through diplomacy.

Asked to respond to Abe's remarks at Davos, China's Foreign Ministry spokesperson replied "if his analogy suggests that some country is going to challenge the existing international order, then I want to remind you that the Japanese leader's visit to the Yasukuni Shrine and a blatant whitewash and denial of Japan's history of aggression and colonial rule indicate that Japan attempts to negate the outcome of World War II and the post-war international order."

On Jan. 23, Abe addressed a New Year's greeting to Chinese residents of Japan, which acknowledged the existence of a number of individual issues between the two countries, but called for a return to the mutually beneficial strategic relationship to control such issues from affecting the overall bilateral relationship. The message also emphasized the importance of high-level dialogue. The next day, Abe delivered his policy address to the Diet and reaffirmed the basic principles of a mutually beneficial strategic relationship with China and reiterated his call for a high-level meeting. He also called for greater transparency in China's military buildup. Regarding the Senkakus, the prime minister made clear that Japan would deal "firmly but in a

calm manner” with the incursion of Chinese ships into Japan’s territorial waters and with China’s proclamation of an air defense identification zone (ADIZ) over the East China Sea, emphasizing that “I will never accept any attempt to alter the status quo by force.”

China’s Foreign Ministry spokesperson reacted to the New Year’s greeting and the policy address by observing that “if the Japanese leader wishes the Chinese and China-Japan relations the best, then nothing is better than declaring that I will pull back from the precipice, immediately admit and correct mistakes and make no more visits to the Yasukuni Shrine.” As for the policy address, he said that China is “strongly dissatisfied” with Abe’s groundless accusations.” And, as for high-level dialogue, he charged that it was Abe’s own action that has “shut the door on dialogue with China.”

At the same time, Chinese Foreign Minister Wang Yi, in an interview with the *Financial Times*, said the Yasukuni Shrine “was without a doubt a militarist symbol before World War II”; that “even today the Shrine openly claims that Japan’s past aggression was justified; that the Pacific War was waged for self-defense; that the trial by the International Military Tribunal for the Far East was illegal;” and that it “still honors 14 Class-A war criminals as divine spirits.” Wang asked rhetorically “Is that an appropriate place for a Japanese leader to visit?”

Asked to comment on reports that Abe had compared the present state of Japan-China relations to those between England and Germany in the period before World War I, Wang replied, that Abe’s remarks “struck me as total disorder of time and space, making no sense at all.” He found bilateral relations to be “very bad right now,” but was cautiously optimistic that “things tend to bounce back when they reach the bottom.” Yet, he noted that bilateral trade had declined over the past year, and, while economic relations remained “normal as a whole,” he called on friends in Japanese business circles to speak up to arrest the decline and “to stop behaviors that undermine relations and trust between China and Japan or even turn back the wheel of history.”

Senkakus

Regular Chinese patrols in the Diaoyu/Senkaku region have become the new normal in 2014. Throughout the first four months, the Japanese reported regular incursions by China’s Coast Guard ships into Japan’s claimed contiguous zone and territorial waters. Chinese aircraft were also reported as penetrating the Japan ADIZ in an apparent attempt to demonstrate the capability of patrolling China’s own declared ADIZ. Below is a summary of activity:

Jan. 5: Chinese Coast Guard ships *Haijian 2112*, *2151*, and *2337* temporarily entered Japan’s territorial waters in the Senkakus; China’s State Oceanic Administration claimed that the ships were operating in Chinese waters.

Jan. 6: *Haijian 2113*, *2166*, *2350* and *2506* entered Japan’s contiguous zone in the Senkakus. They did not respond to Japanese Coast Guard warnings not to enter Japan’s territorial waters.

Jan. 7: Chinese Coast Guard aircraft entered Japan’s ADIZ, approaching to within 140 km of Japan’s sovereign airspace over the Senkakus; Japan Air Self-Defense Force (JASDF) aircraft scrambled from Naha air base; the Chinese plane did not enter Japan’s sovereign air space.

Jan. 12: *Haijian 2113, 2166, and 2506* entered Japan's territorial waters in the Senkakus.

Jan. 17-19: *Haijian 2112, 2337, and 2151* entered Japan's contiguous zone in the Senkakus.

Jan. 27: *Haijian 2112, 2151, and 2337* entered Japanese territorial waters in the Senkakus.

Jan. 28: *Haijian 2506 and 2166* entered Japan's contiguous zone in the Senkakus.

Jan. 30-31: *Haijian 2166, 2350, and 2506* entered Japan's contiguous zone in the Senkakus.

Feb. 2: *Haijian 2166, 2350, and 2506* entered Japan's territorial waters in the Senkakus, marking the third incursion of 2014 and 77th incursion since nationalization.

Feb. 16: *Haijian 2102, 2113, and 2121* entered Japan's contiguous zone in the Senkakus and entered Japan's territorial waters on Feb. 17.

Feb. 21: *Haijian 2102, 2113, and 2151* entered Japan's contiguous zone in the Senkakus; entered Japan's territorial waters on Feb. 23; continued in Japan's contiguous zone through March 4 joined by *Haijian 2506 and 2305*. When warned by Japanese Coast Guard not to enter Japan's territorial waters, *Haijian 2350* replied in Chinese and Japanese that the Diaoyu Islands belong to China from ancient times.

Feb. 21: JASDF aircraft scrambled against two Chinese aircraft entering Japan's ADIZ.

March 10-12: *Haijian 2350 and 2506* entered Japan's contiguous zone in the Senkakus.

March 15: *Haijian 2506, 2166, and 2350* entered Japan's territorial waters in the Senkakus. Japanese Coast Guard confirmed Chinese Coast Guard boarding of a Chinese fishing ship operating in Japan's EEZ near the Senkakus.

March 23: Chinese Coast Guard propeller aircraft entered Japan's ADIZ in the Senkakus, approaching to within 110 km of Japan's claimed sovereign airspace.

March 22: *Haijian 2101, 2151 and 2401* entered Japan's contiguous zone in the Senkakus.

April 12-24: Chinese research ship was found operating without Japanese approval in Japan's EEZ. The ship did not reply to Japanese Coast Guard warning that it was operating without Japanese consent and asked to cease operation.

April 14: *Haijian 2113, 2337, and 2506* entered Japan's contiguous zone in the Senkakus.

April 24: *Haijian 2101, 2166, and 2401* operated in Japan's contiguous zone in the Senkakus, marking the 34th consecutive day of a Chinese Coast Guard presence.

April 26: *Haijian 2166 and 2401* intrude into Japan's sovereign waters in Senkakus.

April 29: *Haijian 2102, 2166 and 2401* intrude into Japan's sovereign waters in Senkakus, marking the 10th incursion since the beginning of 2014.

Business and economics

China's General Custom Administration released 2013 foreign trade figures on Jan. 10, revealing that trade with Japan declined 5.1 percent to \$312 billion, marking the second consecutive year-on-year decline. The 5.1 percent decline exceeded the 3.9 percent in 2012. China's exports to Japan fell 0.9 percent, while imports from Japan dropped 8.7 percent. Meanwhile, Japanese direct investment in China for the first half of 2013 was down 30 percent to \$4.9 billion over 2012. Final figures for 2013, released by China's Ministry of Commerce, reveal that Japanese investment at \$1.21 billion nose-dived 47.2 percent over 2012. The investment fall-off was most noticeable in Japanese retail, automobile, and machinery-related companies.

In a *Nihon Keizai Shimbun* survey of Japanese, Chinese, and Korean business managers, respondents were asked to rate their ability to separate business from politics in managing daily operations. Sixty percent of Chinese respondents replied they could not work with Japanese counterparts, while 80 percent of Japanese managers replied that they could work together. In a Jan. 7 joint press conference, leaders of Keidanren and the Japan Chamber of Commerce and Industry called on the Abe government to move quickly to improve relations with China.

Yet, it was not all bad news. Honda and Toyota set sales records in 2013, and visas issued to Chinese tourists by the Shanghai Consulate in January set an all-time high, surpassing the previous one-month high in 2011. During February, foreign tourism to Japan increased by 880,000 a 21 percent increase over February 2013, with the number of Chinese tourists increasing 71 percent for a total of 138,400, the largest-ever February increase. In March, Chinese tourists swelled to a total of 184,200, a staggering 80.1 percent increase over March 2013, setting a record-high for the month of March.

Security

At the end of January, the Joint Staff Office of the Ministry of Defense announced that the JASDF had scrambled 287 times against Chinese aircraft in the period April 1-Dec. 31, an all-time high for the period, including 138 scrambles in the period October to December 2013. At the end of Japan's fiscal year, scrambles against Chinese aircraft totaled 415, an increase of 36 percent over FY 2013.

On March 5 during the Chinese NPC, the government announced plans to increase military spending 12.2 percent over 2013 to approximately \$132 billion. Premier Li Keqiang told the NPC that China would focus its attention on sea power and enhance border, coastal, and air defenses. Japanese analysts noted that China's defense budget is now three times larger than Japan's. Responding to the defense budget increase, Chief Cabinet Secretary Suga told reporters that China's lack of transparency is a matter of concern to the international community.

Japan's Ministry of Defense announced its intention to beef up its surveillance infrastructure in the southwest islands, including plans to deploy 100 Ground Self-Defense Force personnel to

Yonaguni Islands by the end of FY 2015, and to create a new early warning squadron at Naha Air Base, including *E-2C AWACS* and *F-15* fighters. On Feb. 3, the *Sankei Shimbun* reported that amphibious troops, amounting to three regiments totaling 2,000-3,000 personnel, would be deployed to Sasebo by the end of FY 2018. On April 19, Defense Minister Onodera broke ground for the construction of a new radar site and Ground Self-Defense Force base on Yonaguni Island and, on April 20, the Ministry of Defense announced the deployment of a squadron of four *E-2C* patrol aircraft from Misawa to Naha, Okinawa.

Public opinion

In mid-February, the *Asahi Shimbun*, *Mainichi Shimbun* and *Fuji-Sankei* polled Japanese public opinion on Japan-China relations. In the *Asahi* poll, 52 percent of respondents said that Prime Minister Abe should hold summit talks with China and Korea “as soon as possible” while 34 percent did not support early talks. As for the prime minister’s visit to Yasukuni, 56 percent of respondents believed that it had negatively affected Japan’s diplomacy; 36 percent said that it had not. The *Mainichi* poll revealed that 54 percent of respondents supported early summit talks with China and Korea, while 38 percent found no reason to hurry. In the *Sankei* poll, 57 percent of respondents agreed that “there’s no rush if Japan must make concessions,” while 30 percent found it “unavoidable for Japan to make concessions to hold a summit at an early date.”

Signs of hope...?

From April 6-14, Hu Deping, the son of former General Secretary Hu Yaobang and confidant of President Xi, visited Japan at the invitation of the Ministry of Foreign Affairs and with approval of the Chinese Communist Party. Later, it was reported that Hu had met Abe on April 8. Commenting on reports of the visit, Chief Cabinet Secretary Suga said that the idea for the visit came from the Chinese side; beyond that he refrained from going into detail about the meeting.

Meanwhile, former Prime Minister Fukuda attended the Boao Forum along with Premier Li Keqiang and State Councilors Yang Jing and Yang Jiechi. Both Fukuda and Li addressed the meeting. And, on April 21, at the Western Pacific Naval Symposium in Qingdao, Adm. Kawano Katsutoshi and Adm. Wu Shengli, commanders of the Japanese and Chinese navies, held a 15-minute exchange of views. A formal, sit-down, meeting, hoped for by the Japanese-side, did not materialize.

On April 24-26 at the invitation of his Chinese counterparts, Tokyo Gov. Masuzoe Yoichi visited Beijing, Tokyo’s sister-city. He met counterpart Wang Anshan and toured the Beijing Olympic site. Masuzoe also met former State Councilor and head of the China-Japan Friendship Committee Tang Jiaxuan at the Daiyoutai Guest House. According to Masuzoe, Tang said that not only Beijing but the whole Chinese government welcomed his visit, a strong expression of the government’s intention not only to improve ties between Beijing and Tokyo but also between the two countries. Masuzoe explained that he aimed to improve bilateral ties through city-to-city diplomacy and that Prime Minister Abe likewise welcomed his visit.

Chronology of Japan – China Relations

January – April 2014

Jan. 1, 2014: China's Ambassador to the UK Liu Xiaoming writes in the *Daily Telegraph* that militarism is the “haunting Voldemort of Japan” and the Yasukuni Shrine is “kind of horcrux representing the darkest parts of the nation's soul.” Japan's Ambassador Hayashi Keiichi replies, posing China's choices as abiding by the rule of law or being Voldemort in the region.

Jan. 6, 2014: PM Abe holds first press conference of 2014 and acknowledges difficulties in relations with China; calls for dialogue with Beijing.

Jan. 6, 2014: PM Abe visits Ise Shrine.

Jan. 6, 2014: *Jiji Press* reports that maps issued by the Chinese government from 1949 until July 1971 make no reference to the Diaoyu Islands.

Jan. 7, 2014: Through Japanese Embassy in Beijing, China asks for the postponement of young media leader exchange; On, Feb. 24 proposes rescheduling to March.

Jan. 7, 2014: Top executives of Keidanren, Japan Chamber of Commerce, and Japan Association of Corporate Executives call on PM Abe in a joint press conference to quickly improve relations with China and South Korea.

Jan. 7, 2014: New Komeito's Secretary General Inoue Yoshihisa calls on PM Abe to improve relations with China.

Jan. 10, 2014: China's General Customs Administration releases 2013 trade statistics, indicating that trade with Japan declined 5.1 percent over 2012 to \$312 billion.

Jan. 16, 2014: Former Taiwanese President Lee Teng-hui says the Senkakus belong to Japan.

Jan. 16, 2014: China announces plans to construct 20 new Coast Guard ships.

Jan. 19, 2014: China opens a shrine in Harbin railroad station to honor Korean resistance leader Ahn Jung-geun who assassinated Ito Hirobumi, Japan's governor general of Korea in 1909.

Jan. 22, 2014: Reports of PM Abe's remarks at Davos suggest that he raised possibility of conflict between China and Japan, drawing parallel with UK and Germany prior to World War I.

Jan. 24, 2014: In a policy address to the Diet, PM Abe calls for the return to a mutually beneficial strategic relationship with China and greater transparency in China's military budget. He announces that Japan will firmly deal with incursion of Chinese ships in the Senkakus and will never yield to attempts to change the status quo by force.

Jan. 28, 2014: Japanese Ministry of Education issues instructions and textbooks to teach that Senkakus are part of Japan's sovereign territory.

Feb. 1, 2014: Japan's National Institute for Defense Studies issues *2014 China Security Report*.

Feb. 3, 2014: Hyakuta Naoki, member of NHK Board of Governors, denies Nanjing Massacre.

Feb. 4, 2014: Former Minister of Defense Morimoto Satoshi calls for close cooperation with the US to counter China's repeated challenges to Japan's sovereignty in the Senkakus.

Feb. 6, 2014: China's ambassador to the UK accuses Japan of raising tensions in Asia and shutting the door to dialogue.

Feb. 11, 2014: Former Prime Minister Murayama Tomiichi tells a Seoul audience that his Murayama Statement should not be revised.

Feb. 22, 2014: Foreign Minister Kishida Fumio releases Japan's *2014 Overseas Development Assistance White Paper* emphasizing increased aid to Africa and Southeast Asia.

Feb. 26, 2014: Thirty-seven Chinese plaintiffs file suit in Beijing Court for compensation for wartime forced labor under the Japanese.

Feb. 27, 2014: Former PM Murayama tells Japan's National Press Club that Kono Statement should not be reviewed.

Feb. 28, 2014: Chief Cabinet Secretary Suga Yoshihide appoints a research panel to review the Kono Statement.

Feb. 28, 2014: *Sankei Shimbun* reports China's National People's Congress (NPC) is considering Sept. 3, Victory over Japan, and Dec. 13, Nanjing Massacre, as national holidays.

March 3, 2014: During Lower House meeting, PM Abe acknowledges that Japan had caused suffering and damages to the people of Asia during World War II; reaffirms his government shares views of previous governments with respect to Kono and Murayama Statements.

March 5, 2014: Premier Li Keqiang tells opening session of the NPC that China will oppose any attempts to reverse the course of history.

March 5, 2014: China announces 12.2 percent defense spending increase to \$132 billion.

March 6, 2014: Liberal Democratic Party (LDP) Secretary General Ishiba Shigeru calls for Asia NATO to deal with China's increasing defense budget and US declining influence.

March 8, 2014: Foreign Minister Wang Yi in press conference during NPC that China has no room for compromise on issues related to history or sovereignty.

March 12, 2014: Chief Cabinet Secretary Suga tells reporters that regardless of the findings of the review panel, the government will maintain the Kono Statement.

March 14, 2014: PM Abe tells Upper House Budget Committee that he is not thinking of revising the Kono Statement and that his government will continue to hold to the Murayama Statement will not be revised.

March 18, 2014: Chinese and North Korean representatives unite to criticize PM Abe's handling of the comfort women issue as well as his visit to Yasukuni Shrine.

March 24, 2014: Chief Cabinet Secretary Suga tells reporters the Kono Statement will stand.

March 25, 2014: Foreign Minister Kishida tells Upper House that reported Chinese court decision to hear suit for wartime compensation for forced labor would cast deep shadow on bilateral relations and open door to similar legal proceedings. He says the suit lacks legal standing because all issues related to reparations had been settled at time of normalization.

March 26, 2014: Chinese defense officials attend international PKO symposium in Tokyo.

March 28, 2014: President Xi Jinping raises Nanjing Massacre in Berlin speech.

April 1, 2014: PM Abe government revises Japan's Three Principles on Arms Exports.

April 4, 2014: Japanese Ministry of Education announces new textbooks for 2015 that will include references to territorial issues related to Senkakus and Takeshima.

April 4, 2014: Abe Cabinet approves Japan's *2014 Diplomatic Blue Book*.

April 4, 2014: *Kyodo* reports that Nanjing government is considering registration as cultural sites buildings used as comfort stations.

April 6-14, 2014: Hu Deping son of Hu Yaobang and confidant of President Xi visits Japan and meets PM Abe.

April 13, 2014: Japanese and Chinese business leaders meet in Tokyo; discussions focus on economic cooperation.

April 14, 2014: Foreign Minister Wang tells reporters that China's door to dialogue on issues related to the Diaoyu Islands, the South China Sea is open.

April 15, 2014: China-ROK-Japan International Forum for the Trilateral Cooperation 2014 is held in Seoul.

April 18, 2014: Shanghai Court approves seizure of Mitsui ship *Baosteel Emotion* in commercial dispute dating to 1930s.

April 21-23, 2014: Spring festival at Yasukuni Shrine; Abe does not visit, electing to send plant offering instead.

April 21, 2014: Adm. Kawano Katsutoshi and Adm. Wu Shengli hold 15-minute conversation at Western Pacific Naval Symposium in Qingdao.

April 22, 2014: China-ROK-Japan Northeast Asia Trilateral Forum, sponsored by *Xinhua*, *JoongAng Ilbo*, and *Nikkei*, opens in Jiangsu province, China.

April 22, 2014: One hundred forty-six Diet members, including two Cabinet members, visit Yasukuni Shrine.

April 24, 2014: Mitsui settles *Baosteel Emotion* ship impoundment for about ¥4 billion.

April 24-26, 2014: Tokyo Gov. Masuzoe Yoichi visits Beijing.

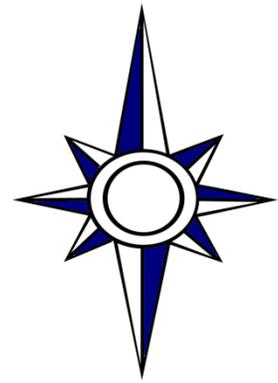
April 25, 2014: Gov. Masuzoe meets with Tang Jiaxuan, former state councilor and chairman of the China-Japan Friendship Committee.

April 28, 2014: Gov. Masuzoe briefs PM Abe on Beijing meetings.

April 28-29, 2014: PRC Vice Environment Minister Li Ganjie, and ROK and Japanese Environment Ministers Yoon Seong-kyu and Ishihara Nobuteru hold 16th trilateral Environment Ministers Meeting in Daegu, Korea.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



Japan-Korea Relations:

Is the US a “Wingman” or “Third Wheel”?

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For the last few years, it has been popular for Japan-Korea watchers to ask about the possibility of a “reset” in their relations. The best timing for this may be 2015, given that it marks the 70th anniversary of Korea’s liberation from Japan and the 50th anniversary of the Treaty on Basic Relations between Japan-Republic of Korea that normalized relations. As if to refute the idea that there might be any lull before a storm, Tokyo and Seoul rang in the New Year not with bells and whistles but a promotional video for Korea’s claim to Dokdo/Takeshima that went viral on *YouTube*. This may have set the tone for the months to follow. A major theme for the early months of 2014 was the role of the US – both as a setting and an actor – in issues ranging from the naming of the East Sea/Sea of Japan to getting the two heads of state in the same room.

The proxy war (of words): lobbying within the US

Books have been written (and hotly contested) about the strength of the Israel lobby (see Stephen Walt and John Mearsheimer, *The Israel Lobby and U.S. Foreign Policy*, New York: Farrar, Straus and Giroux, 2007) in US decision-making, but the degree to which Japan or Korea may successfully inform US legislative action has only recently gained attention. The main point of contention for Tokyo and Seoul focused on the naming of the body of water that lies west of Japan and to the east of both Koreas.

The battle started in January, when the Education and Health Committee of the Virginia State Senate unanimously approved a bill calling for local public schools to use both East Sea and Sea of Japan in their textbooks. This relatively curt [bill](#), which does not affect any textbooks approved by the Board of Education prior to July 1, 2014, states that “all textbooks approved by the Board of Education pursuant to [22.1-238](#) of the Code of Virginia, when referring to the Sea of Japan, shall note that it is also referred to as the East Sea.” The Virginia House of Delegates approved the bill in early February, with Gov. Terry McAuliffe signing the bill into law in early April. There were similar efforts in Georgia, where the Senate passed a resolution ([SR 798](#)) on Jan. 27 that included a phrase that the Korean Peninsula was “bound by its East and West Seas.” Incidentally, on the same day, a resolution ([HR1162](#)) was adopted in the Georgia House of Representatives that noted the 40th anniversary of the Consulate General of Japan in the Southeast and invited the Consul General to be recognized by the House of Representatives. This went unnoticed due to the coverage of the recognition that He Beom Kim, the Consul General for Korea, received in the Senate resolution. A similar bill ([S6570](#)) that would require the use of dual labels in all new textbooks was introduced in the New York Senate Committee, while the New Jersey Assembly introduced bill [A2478](#) on Feb. 10, which requires the body of water between Korean peninsula and Japan be called “East Sea” for all governmental purposes.

There are two interesting angles to this story. First, is it just a numbers game? On one level, the sheer number of the immigrant population (code: constituents) residing in a particular area has been cited several times in the media as a critical reason behind the success of the Korean lobbying. A *New York Times* [article](#) that dubbed the ongoing contention between Japan and Korea a “hydrographic kerfuffle” stated that “with about 100,000 Koreans in New York City and 25,000 Japanese, it might be obvious what side two local legislators [State Sen. Toby Ann Stavisky of Flushing and Assemblyman Edward Braunstein of Bayside] are embracing.” A *Korea Times* [article](#) quoted Professor Shin Yul at Myongji University in Korea as claiming that “First and foremost, the number of Korean-Americans is much bigger than that of Japanese-Americans at 1.7 million versus 1.3 million. Hence, the Korean side holds stronger voting power.” Looking at US Census [data](#) of 2010, Virginia, New York, and New Jersey are indeed, all within the top 10 states with the largest Asian alone or in-combination populations (with the 10 states actually representing almost three-fourths of the total Asian population in the US). It is true that there are a little over 1.7 million people that identify in some way as Korean and 1.3 million as Japanese in the US, but it is the breakdown that makes for a more fascinating tale. At the most macro level, the Census divides the Asian population into two large categories of “Asian alone” and “Asian in combination with one or more other races” (and an aggregate sum of the two under “detailed Asian group alone or in any combination”). Then each category is further bifurcated into those that are relatively homogenous in identity and those that are less so, as per the table below.

Detailed group	Asian alone		Asian in combination with one or more other races		TOTAL
	One detailed Asian group reported	Two or more detailed Asian groups reported	One detailed Asian group reported	Two or more detailed Asian groups reported	
Japanese	763,325	78,499	368,094	94,368	1,304,286
	(-1.2)		(55.9)		(13.5)
Korean	1,423,784	39,690	216,288	27,060	1,706,822
	(33.1)		(88.6)		(38.9)

2010 U.S. Census Data

The figures in the parentheses indicate the percent change in the population from 2000 to 2010. A nuanced examination reveals that not only is the growth of Korean-Americans more than double that of Japanese-Americans, but that it is relatively homogenous with an overwhelmingly large number classifying themselves as one detailed Asian group. While this might seem like good news for the Korean lobby, it would be difficult to translate these raw numbers into the degree of effectiveness in lobbying without further information. Moreover, one could argue that the cross-cutting appeal of Japanese identity apparently can work against Korean lobbying.

Just as we cannot squeeze out weighty implications from a couple numbers, it is also dangerous to assume that tracing the heritage or affinities of various US politicians to either Japan or Korea may give us an idea as to which way the wind may blow. This kind of one-dimensional thinking is extremely seductive bait for nationalists that want to reinforce an “us” vs. “them” mentality.

For instance, Japanese-American Mike Honda (D-CA) received criticism for his involvement in introducing [H.R. 121](#) at the 110th Congress (passed in July 2007) that called for redress of the comfort women/sex slaves issue. He also supported the document attached to the Consolidated Appropriations Act for Fiscal Year 2014 ([H.R.3547](#)), which became law in January 2014, that urged Secretary of State John Kerry to encourage Tokyo to address the sexual enslavement issue as laid out in H.R. 121. Subsequently, he wrote a separate [letter](#) on the same topic to Kerry in February 2014. Lest the increasing efforts at lobbying dissolve into a witch hunt of US elites with certain Asian descent not displaying sufficient “patriotic” ideals, we need to think carefully about the unintended consequences of greater activism in the US and what that means for Japan and Korea relations.

The second interesting angle regarding the so-called “East Sea movement” is to focus on what had *changed*. What is significant is not so much that these bills passed, but what changed since the last time they were put forth and rejected. A similar bill calling for the use of dual names for the body of water was sponsored and introduced by David Marsden (D-VA) to the education panel of the Senate of Virginia in 2011, but voted down in January 2012 by a vote of 8-7. A similar fate occurred when New York’s Democratic Sen. Toby Ann Stavisky asked the City Department of Education back in 2012 to begin using textbooks that included both names. As a *Washington Post* [article](#) suggests, the case in 2014 was certainly not an easy one, with the Embassy of Japan hiring four McGuireWoods lobbyists to thwart the Virginia bill. It would be premature to generalize on the power of the Korean lobbying in the US, especially with less successful attempts at persuasion like the unintentionally comical bulgogi ad featuring Choo Shin-soo (a Korean outfielder for the Texas Rangers baseball team in the US) in the print edition of the *New York Times* in March 2014, which earned a lot of flak for its generally obscure message. Japan also received negative coverage in a mid-April news item that the Chicago-based law firm Mayer Brown had filed a civil lawsuit on behalf of two Japanese-Americans and a corporation that claimed that they would suffer “irreparable injury” from “feelings of exclusion, discomfort, and anger” if the comfort women/sex slaves memorial in Glendale, California was not removed (a case that *Forbes* described as “what is surely one of the most controversial civil suits ever filed in the United States.”)

There were also instances of the US taking a more proactive role, wanting its two allies to mend ties. In March, US Ambassador to Japan Caroline Kennedy, during her first *NHK* television interview since becoming ambassador in November 2013, expressed clear US interest in helping mend ties between Tokyo and Seoul. During Secretary of State Kerry’s two-day trip to Seoul in February, urging Japan and South Korea to get along was a clear theme alongside other familiar issues such as North Korea’s denuclearization. The height of US brokering came with the trilateral meeting on March 25, after the Nuclear Security Summit in the Hague – the first direct face-to-face for Japan’s Prime Minister Abe and Korea’s President Park since they entered office in 2012 and 2013, respectively. Nevertheless, the *Asahi Shimbun* reported that according to sources, the two leaders did not touch the issue of a bilateral summit, and that “at the start of the trilateral meeting, a smiling Abe spoke to Park in Korean, but Park maintained a stern look,” which was also the atmosphere conveyed by [other news reports](#). This general mood summed up the first months of 2014.

A mixed grade on economics

“Political problems don’t affect economic and cultural ties as much as we think.... This year will mark the 10th of its kind, and I would love to see the Korea-Japan festival continuing more than 100 years.” Takasugi Nobuya, former chairman and CEO of Fuji Xerox Korea and former president of the Seoul Japan Club (SJC), made this remark in an [interview](#) with the *Korea Times* in February 2014. Despite his view that “doing business creates a win-win situation” (which has been a popular take on Toyko-Seoul economic relations), there was both positive and negative news on the economic front that may complicate overall bilateral relations.

In March, the Korea International Trade Association (KITA) announced that the Export Similarity Index (ESI, which captures the countries’ export overlap) between Japan and South Korea was point-501 for 2013 – marking the first time that the ESI went over the point-five threshold, suggesting that at least half the key export items of the two countries are similar. Auto parts grew at the fastest pace among Korea’s export items, jumping from point-386 in ESI with Japan in 2007, to point-46 in 2011, and finally point-56 in 2013. As a point of comparison, KITA indicated that the South Korea-China ESI stood at point-377. With the April 1 implementation of the [consumption tax hike](#) from 5 to 8 percent in Japan, some are concerned this will lead to greater export competition between the two countries as foreign markets become a lifeline for Japanese businesses.

Partners Toshiba of Japan and SanDisk of the US separately filed civil lawsuits against SK Hynix of South Korea for damages from alleged theft of sensitive information regarding flash memory chip technology. The lawsuit by Toshiba was filed with the Tokyo District Court on March 13, the same day that the Tokyo Metropolitan Police Department arrested Sugita Yoshitaka, a former engineer at SanDisk and Hynix who is suspected of having passed on data from his former employer to the latter. Back in 2004, Toshiba filed a patent infringement suit against Hynix (at the time one of many legal cases cited by the *New York Times* that contributed to Japan’s “[art of the lawsuit](#)”), but it has been [pointed out](#) in the 2014 incident that it is rare for industrial espionage to result in a criminal case. Since it was not until 2007 that the 2004 lawsuit was resolved through a cross-licensing agreement, there may be unabated friction between the two companies for some time.

The economic picture is further complicated when factoring in the role of China. At the beginning of the New Year, there was [speculation](#) in Japan that South Korea may surpass Japan in trade with China in value terms within the next three years. One of the reasons for this prediction was that “unlike Japan, it [South Korea] has little diplomatic friction with Beijing.” The article quoted a former high-ranking Chinese Commerce Ministry official as stating that “the Sino-Korean FTA comes first [before a three-way trade pact including Japan]” to demonstrate the waning importance of Japan as a trade partner for China. Anxiety might have been heightened after South Korea inked a free trade deal with Canada on March 11, which would mean further competition with lowered tariff barriers for South Korean imports into Canada. Despite [optimistic reports](#) that South Korea’s export volume growth was the third fastest among the top 10 exporting countries in the world in 2013, there were also concerns from Koreans about falling behind Japan in investment and market share in China. *Yonhap News* cited a report that calculated the total investment by Japanese companies in China over the 10-year period from

2004-2013 as \$52.9 billion, which is roughly 1.5 times greater than South Korea with \$36.15 billion. The concerns by Tokyo and Seoul over each other's economic performance demonstrate the multidimensional nature of economic issues and mutual sensitivity toward China.

Amidst all the competition there was also good news regarding cooperation. Following their Memorandum of Understanding (MoU) in November 2013, Japan's Yokohama Rubber and Korea's Kumho Tire announced that they inked a "master technological alliance agreement" in February 2014. Under the agreement, the two companies will engage in joint research and development (R&D) and discuss a licensing and technology exchange pact. Given the reputation and performance of the individual tire makers, the agreement is expected to bring mutually beneficial results by giving the two manufacturers a greater competitive edge over their rivals in the global market.

Japan as South Korea's mirror?

It has been said that Japan is South Korea's mirror: the two are on parallel tracks when it comes to developments within the respective societies. In theory, this should foster centripetal dynamics and bring the two closer together. A familiar example here is the low birth rate in both Japan and South Korea. According to the World Bank database, based on 2012 records, Japan's fertility rate is 1.4 and Korea's is 1.3. Coupled with pressures to lower the unemployment rate, Japan and South Korea are each other's optimal destination for immigration and emigration. Upon news in March that Japan had revisited the idea of extending the limit that "technical interns" (*ginō jissūsei*) can stay in Japan from three to five years, [Yonhap News](#) reported on the latest job fair in Osaka and the efforts by the Korea Trade-Investment Promotion Agency (KOTRA) and their "k-move" event that is aimed to help Koreans find jobs abroad. A similar [event](#) occurred in January when KOTRA hosted its own job fair in Seoul, which invited 25 Japanese companies including Dentsu, a dominant advertising and public relations company headquartered in Tokyo. As an interesting counter-argument, a strongly worded piece in the [Japan Times](#) raised concerns about the potential for increasing exploitation of workers due to labor shortages ahead of the 2020 Olympics in Japan. The article goes on to state that "cheap foreign workers have become the go-to objects of exploitation, particularly for jobs that even young Japanese workers don't want to do. The problem was that the bosses need more than three years of exploitation, so in its infinite wisdom, the LDP [Liberal Democratic Party] has come out with a plan to extend the period to five years, all the while careful to note that they must return to their home country after that period."

The treatment of foreigners has been a visible yet sensitive issue for both Japan and South Korea. The [Country Reports on Human Rights Practices for 2013](#) released by the US State Department in February 2014 cited discrimination against ethnic Koreans in Japan despite steady improvements, singling out domestic clashes involving the Japanese right-wing group Citizens against Special Privileges for Zainichi (ethnic Koreans and Chinese) in 2013. The country report on South Korea also listed instances of societal discrimination against defectors from North Korea as well as ethnic and racial minorities. In this sense, perhaps the two countries are not that far from being each other's mirror.

If in theory, similarities should facilitate greater cooperation between Tokyo and Seoul, in practice, there are strong centrifugal dynamics at work, pulling the two apart. The *Asahi Shimbun* ran an [article](#) on Feb. 12 that discussed the growing popularity of anti-Chinese and anti-Korean books as a genre in the Japanese publishing industry. Supposedly, book stores like Sanseido have designated corners for displaying such books, and by the second month of the year, three titles in the genre have made it to the top 10 list for nonfiction paperbacks as consolidated by Tohan Corp., a Japanese publishing distributor. “Bokanron” (published by Sankei Shimbun Shuppan and transliterated into “a theory of stupid Korea”) has kept its position in the top 10 for seven consecutive weeks. The article also quotes an official with Sankei Shimbun Shuppan, who says that “The series ‘Manga Ken Kan Ryu’ (Hating the Korean wave) has sold 1 million copies since first coming out in 2005.” Apparently, a similar trend has hit weekly magazines like *Shukan Bunshun* and *Shukan Post*. Regarding these sensational stories that are critical of China and South Korea, a reporter for one of these weeklies said that “we cannot stop because it sells.” It is unfortunate to think that there is considerable profit to be made from selling hate. If anything, this should add greater impetus for the governments in Tokyo and Seoul to increase collaboration to marginalize such provocative framing.

Ending the silent treatment

Relations between Japan and North Korea made steps in the direction of what could be called progress. The start of the year seemed very much like a continuation of the status quo: an [editorial](#) in the *Korean Central News Agency (KCNA)* equated Prime Minister Abe’s visit to the Yasukuni Shrine and attempts to revise the Japanese constitution to acts carried out by Adolf Hitler. Between February and March, there were reports of North Korea firing four short-range missiles into the sea off its eastern coast, test-firing 18 rockets that flew about 70 km (or 43 miles) over the Sea of Japan/East Sea, as well as test-firing two medium-range ballistic missiles from a site north of Pyongyang in late March. Tokyo reinforced the idea that economic sanctions will remain in place against Pyongyang and aid withheld without resolution of the abduction issue. At one point, it was reported that Japan’s Defense Minister Onodera Itsunori had issued an order in effect April 3-25 for the Maritime Self-Defense Force (MSDF) to shoot down any North Korean ballistic missiles that may harm or damage Japanese territory. There was speculation that Onodera had delayed a public announcement regarding the order to prevent throwing cold water on the negotiations between Tokyo and Pyongyang that were held at the North Korean Embassy in Beijing at the end of March – the first formal talks in more than a year. Similar speculation followed the slight delay in Japan’s confirmation of and subsequent protest of North Korea’s test-firing of short-range missiles on March 3, as there were informal talks ongoing between the Red Cross officials from the two countries in Shenyang, China.

In fact, there was a fair amount of interaction between the two countries during the first months of 2014. Just two weeks after the first meeting in Shenyang, a second round of talks kicked off on March 19 in Shenyang, with Red Cross officials from both countries as well as Foreign Ministry officials including Ono Keiichi, director of the Japan’s Northeast Asian Division, and Ryu Song-il, head of the North Korea’s Japanese affairs section. After the talks, Ono told reporters that the two countries had agreed to resume formal inter-governmental talks. Around the same time, the media reported that Japan’s Foreign Ministry announced that the parents of Megumi Yokota (who was abducted in 1977 at age 13 and subsequently died in 1994) were

allowed to meet Megumi's daughter, Kim Eun-gyong (now 26), for the first time in Ulan Bator, Mongolia. This was supposedly a goodwill gesture by the North. Given the degree to which Megumi is viewed as a symbol of the unresolved abduction issue between Pyongyang and Tokyo, the secret reunion was that a much welcome gesture.

At the end of March, officials from Japan and North Korea met in Beijing for their first formal bilateral meeting since November 2012, bringing together Ihara Junichi, director general of the Asian and Oceanian Affairs Bureau at Japan's Ministry of Foreign Affairs (MOFA), and Song Il Ho, North Korea's ambassador for talks on normalization with Japan. The agenda focused on gaining cooperation from North Korea on fulfilling its promise to reinvestigate the North's abduction of Japanese citizens in the 1970s and '80s. Soon thereafter, the [Nikkei](#) reported that unofficial negotiations between the North and Japan in Shanghai on April 5-6 led to a more conciliatory North Korea that was willing to reinvestigate the abductions. In response, Japan indicated its interest in considering the easing of sanctions against the North. Although one could charge that there was nothing concrete that came out of the multiple interactions, diplomacy was not held hostage to the long-running stalemate.

The coming summer months

President Obama's visit to Tokyo and Seoul this April has been cautiously defined as a success, but it appears that little has changed between the US allies. While in Tokyo, Obama conspicuously avoided mentioning sensitive issues such as the comfort women. Once he got to Seoul, however, he loudly and eloquently supported full consideration of the comfort women/sex slave dispute, calling it a "human rights issue." In attempting to please everyone, both sides were able to take what they wished to hear from Obama's visit. As Peter Drysdale [observed](#), "With President Obama undertaking to defend the status quo on the Senkaku/Diaoyu islands, Prime Minister Abe explicitly rationalising his Yasukuni visit in Obama's presence, and no clear outcome on TPP, there was awkwardly unrequited progress on the US-Japan security relationship." But substantively, both Park and Abe appear to be less interested than ever in finding a diplomatic way forward to get relations between their two countries back on track. If North Korea does proceed with another nuclear test, South Korea and Japan may find some issues over which they agree, but a major diplomatic breakthrough appears distant.

Chronology of Japan-Korea Relations

January – April 2014

Jan. 1, 2014: South Korean Foreign Ministry unveils its new promotional video on Dokdo.

Jan. 15, 2014: Document attached to US Consolidated Appropriations Act for Fiscal Year 2014 urges US secretary of state to encourage Japanese government to address the comfort women/sex slave issue, as per Resolution 121 that passed the House of Representatives in July 2007.

Jan. 19, 2014: Joint South Korea-China memorial honoring Ahn Jung-geun, a revered South Korean independence activist who assassinated Japan's Governor General of Korea Itō Hirobumi, is unveiled at a Harbin railway station in China.

Jan. 23, 2014: Virginia State Senate approves a bill that calls for new textbooks for schools to identify the waters between Japan and South Korea as the “East Sea” in addition to its current designation as “Sea of Japan.”

Jan. 25, 2014: At a news conference on his first day at the job, Chairman Momii Katsuto of the Japanese public broadcaster NHK asserts that “every country” had some form of institutionalized wartime brothel similar to Japan’s “comfort women.” The chairman was called to appear before the Diet on Jan. 31, subsequently apologizing for his inappropriate comments.

Jan. 28, 2014: Senate in the US state of Georgia unanimously passes a resolution describing the Korean Peninsula as “bound by its East and West Seas.” Another bill passes on March 3 – Senate Resolution 941 that urges Congress to increase the number of visas awarded to Korean citizens in specialty industries.

Jan. 28, 2014: Seoul government denounces Tokyo’s claims to Dokdo/Takeshima in its new teaching manuals for Japanese textbooks for middle and high schools, demanding that Japan withdraw the manuals.

Jan. 31, 2014: South Korea protests remarks by Prime Minister Abe Shinzo that Japan is considering taking the territorial dispute over Dokdo/Takeshima to the International Court of Justice (ICJ).

Feb. 5, 2014: Editorial in the *Korean Central News Agency (KCNA)* equates PM Abe’s visit to the Yasukuni Shrine and attempts to revise the Japanese constitution to acts by Adolf Hitler.

Feb. 6, 2014: Virginia’s House of Delegates votes 81 to 15 to mandate the inclusion of both “Sea of Japan” and “East Sea” in all textbooks approved by the Board of Education after July 1.

Feb. 11, 2014: Former Japanese Prime Minister Murayama Tomiichi visits Seoul, and meets three South Korean women forced into sexual slavery for Japanese soldiers during World War II.

Feb. 18, 2014: Ihara Junichi, director general of the Asian and Oceanian Affairs Bureau at the Japanese Ministry of Foreign Affairs (MOFA) meets South Korean counterpart, Lee Sang-deok, director general of Northeast Asian Affairs Bureau.

March 3, 2014: According to *The Mainichi*, Ono Keiichi, director of the Northeast Asia Division of Japan’s MOFA, and Ryu Song-il, chief of the North Korean MOFA’s Japanese Affairs section, hold informal talks on the sidelines of the Red Cross meeting in Shenyang, China. They reportedly discuss North Korea’s abduction of Japanese nationals in the ‘70s and ‘80s and Pyongyang’s nuclear weapons and missile programs.

March 3, 2014: North Korea fires two short-range missiles off its eastern coast – the second such launch within the span of a week. Japan lodges a formal protest with North Korea.

March 4-7, 2014: Trade representatives from China, Japan, and South Korea meet in Seoul for the fourth round of the trilateral free trade agreement (FTA) talks. The talks are aimed at basic guidelines on tariff reduction, opening service trade, and other issues related to investment.

March 6-7, 2014: Officials from China, Japan, and South Korea take part in a two-day Table Top Exercise (TTX) in Tokyo, aimed at strengthening capacity to deal with humanitarian assistance and disaster relief. Participants are from the Ministry of Foreign Affairs and the Ministry of Civil Affairs of China, Emergency Management Office of China's State Council; the Ministry of Foreign Affairs and the Cabinet Office of Japan, and; the Ministry of Foreign Affairs and National Emergency Management of South Korea.

March 10-21, 2014: The 58th session of the Commission on the Status of Women is held at United Nations headquarters in New York. China's *People's Daily* reports that the Chinese envoy urged Japan to acknowledge its role in recruiting sex slaves during World War II and make formal apologies for its deeds.

March 12, 2014: Japanese Vice Foreign Minister Saiki Akitaka arrives in Seoul to meet counterpart, Cho Tae-yong. *Chosun Ilbo* reports that Saiki's visit was cut short once it was clear that the two sides would not come to a conclusion about a future summit. South Korean MOFA releases a statement that Seoul has no intention of holding a bilateral summit without an "understandable" resolution of Japan's wartime actions.

March 13, 2014: Senate Judiciary Committee of the state of New York passes a bill that would require the dual-labeling of Sea of Japan and East Sea in the state's school textbooks.

March 13, 2014: Partners Toshiba of Japan and SanDisk of the US separately file civil lawsuits against South Korea's SK Hynix for damages from alleged theft of sensitive information regarding their flash memory chip technology.

March 14, 2014: PM Abe announces that his government will not revise the Kono Statement, a landmark 1993 apology to those women that were forced to serve in wartime military brothels.

March 16, 2014: Japanese MOFA announces that the parents of Megumi Yokota (who was abducted at 13 from Japan in 1977 and subsequently died in 1994) were allowed to meet with Megumi's daughter, Kim Eun-gyong (now 26), for the first time in Ulan Bator, Mongolia.

March 16, 2014: South Korean Ministry of National Defense announces that North Korea test-fired 25 short-range rockets off its east coast into open water.

March 18, 2014: *Kyodo News* states that Furuya Keiji, Japanese Cabinet minister in charge of the North Korean abduction issue, announced that Japan has no intention of lifting economic sanctions or resuming aid to the North without the return of Japanese nationals abducted by the North Korean regime.

March 19, 2014: Korea International Trade Association (KITA) releases a report that describes the competition between Japan and South Korea on exports as being at an all-time high, based on the Export Similarity Index (ESI).

March 19-20, 2014: Director of the Northeast Asia Division of Japan's MOFA Ono Keiichi and North Korean counterpart Ryu Song-il meet for informal talks on the sidelines of the Red Cross meeting in Shenyang, China. As a follow-up to the previous session on March 3, a key agenda was whether to resume formal negotiations at the senior level between the two countries.

March 25, 2014: US plays intermediary in bringing together President Park Geun-hye and PM Abe for their first face-to-face meeting on the sidelines of the Nuclear Security Summit in The Hague. The three leaders reaffirm the necessity of cooperation in confronting North Korea's ongoing provocations.

March 26, 2014: Pyongyang test-fires two intermediate-range ballistic missiles from a site north of Pyongyang into the sea off its eastern coast.

March 30-31, 2014: Ihara Junichi, director general of the Japanese Foreign Ministry's Asian and Oceanian Affairs Bureau, and Song Il-ho, North Korean ambassador in charge of normalization of relations with Japan, meet in Beijing.

April 1, 2014: Japan announces that it has eased its self-imposed arms export ban for the first time in nearly 50 years. *The Japan Times* reports that South Korea immediately called for "the maximum level of transparency" from Japan in implementing the new guidelines.

April 3, 2014: Virginia Gov. Terry McAuliffe signs the "East Sea bill" into law. The bill, requiring all new public school textbooks to use a dual-naming system for the body of water between Japan and South Korea, will take effect from July 2.

April 4, 2014: South Korea's First Vice Minister of Foreign Affairs Cho Tae-yong summons Japan's Ambassador to Seoul Bessho Koro to protest new Japanese elementary school textbooks that describe Dokdo/Takeshima as part of Japan's "sovereign territory."

April 5, 2014: *Yomiuri Shimbun* reports that Japanese Defense Minister Onodera Itsunori has ordered a Maritime Self-Defense Force (SDF) destroyer to the Sea of Japan to shoot down any incoming ballistic missiles launched by North Korea. A day later, the US announces that it will deploy two additional *Aegis* destroyers to Japan by 2017 to strength overall missile defenses against North Korea's provocations.

April 5-6, 2014: *Nihon Keizai Shimbun* reports agreement was reached between Tokyo and Pyongyang in unofficial negotiations in Beijing with Japan agreeing to consider reducing some sanctions against North Korea and Pyongyang indicating that it will review the case of abductions of Japanese nationals.

April 7, 2014: A trilateral meeting is hosted by the US, bringing together Ihara Junichi, the Japanese director general of the Asian and Oceanian Affairs Bureau, Hwang Joon-kook, the

South Korean special representative for Korean Peninsula peace and security affairs, and Glyn Davies, the US special representative for North Korea policy. A main item on the agenda is facilitating cooperation to counter North Korean provocations.

April 11, 2014: *Kyodo News* reports that an Osaka-based citizens' group has filed a lawsuit with the Osaka District Court, asserting that PM Abe's visit to Yasukuni Shrine last December violated their constitutional right to "live in peace," and that his visit worsened Japan's relations with neighboring countries.

April 15, 2014: China-ROK-Japan International Forum for the Trilateral Cooperation 2014 is held in Seoul.

April 18, 2014: In response to the sinking of a ferry off the Coast of Jindo Island in South Korea on April 16, Defense Minister Onodera announces that Japanese divers and minesweepers are ready to be dispatched as needed. According to *Yomiuri Shimbun*, PM Abe also sent a message to President Park on April 17 expressing condolences for the tragedy and indicating willingness to assist in any way possible.

April 21, 2014: *Japan Times* reports that a lawsuit has been filed with the Tokyo District Court against the Japanese government and Yasukuni Shrine, claiming that PM Abe's visit in December of 2013 violated the constitutional principle of separation of state and religion.

April 22, 2014: *Japan Times* reports that a total of 149 Japanese lawmakers including two Cabinet ministers visited the Yasukuni Shrine on the morning of April 22, prompting protests from both Seoul and Beijing.

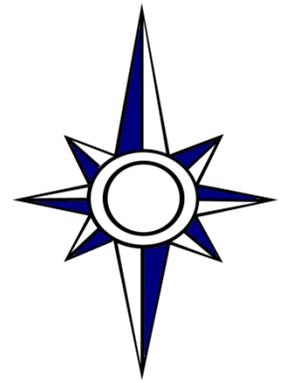
April 22, 2014: China-ROK-Japan Northeast Asia Trilateral Forum, sponsored by *Xinhua*, *JoongAng Ilbo*, and *Nikkei*, opens in Jiangsu province, China.

April 25, 2014: During his Asia trip at a press conference in Seoul with President Park, President Obama describes Japan's wartime system of sexual slavery as "a terrible and egregious violation of human rights." According to *Kyodo News*, Prime Minister Abe said that although he is pained to think about what those women went through, that the issue should not be politicized.

April 28-29, 2014: PRC Vice Environment Minister Li Ganjie, and ROK and Japanese Environment Ministers Yoon Seong-kyu and Ishihara Nobuteru hold 16th trilateral Environment Ministers Meeting in Daegu, Korea.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



China-Russia Relations:

“‘Western Civil War’ Déjà Vu?”

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The Sochi Olympics and the Ukraine crisis tested the upper and lower limits of the China-Russia strategic partnership relations in the early months of 2014. While the Olympics infused new dynamics into the relationship, the turmoil in Ukraine, which British Foreign Secretary William Hague defined as the “biggest crisis” to face Europe in the 21st century, is still escalating. “The smoothest invasion of modern times” (BBC’s reference to Russia’s annexation of Crimea), which was over before the outside world realized it had even started, is being met with waves of Western sanctions against Putin’s Russia. Despite Kiev’s “anti-terror” operations in Ukraine’s east and southeast, pro-Russian militants are now controlling 23 cities – and counting – in Ukraine’s industrial heartland, home to over a third of Ukraine’s GDP. The current crisis is frequently analogized in the West as a replay of the Nazi 1938 takeover of Sudetenland or the Cold War 2.0. For Russia’s strategic partner in the east (China), however, there is little space to navigate between Russia, the EU, and Ukraine. Welcome to the brave new world of Beijing’s neutrality with Chinese characteristics.

To Sochi, and not just for sports

Relations between Russia and China were on the fast track at the beginning of 2014. In January, a week after the Chinese Foreign Ministry announced President Xi Jinping’s decision to join the opening ceremony of the Sochi Winter Olympics, Russian Ambassador to Beijing Andrei Denisov said in a press conference that President Vladimir Putin would visit Beijing in May. A regular and frequent exchange of high-level visits by top leaders has become institutionalized over the past decade. In 2013, Putin and Xi met four times: at the BRICS Summit in Durban, South Africa, the G20 Summit in St. Petersburg, the Shanghai Cooperation Organization Summit in Bishkek, and the Asia-Pacific Economic Cooperation Economic Leaders Meeting in Bali.

The two announcements for 2014 (Xi’s trip to Sochi and Putin’s China visit in May) came at a time when the Sochi games were facing multiple and growing challenges. One was the serious questioning of Sochi’s security following two bombings that killed 34 people in Volgograd on Dec. 29-30, 2013. Sochi, which is less than 700 km from Volgograd, is even closer to North Caucasus, Russia’s persistently restless region that includes Dagestan, Ingushetia, and Chechnya. Xing Guangcheng, a leading Russia specialist at the Chinese Academy of Social Sciences, who had traveled many times to Sochi prior to the games, considered Sochi’s security situation to be “uncertain.” Xi’s Sochi trip, therefore, was not without security risks, even from the Chinese perspective. China, however, was prepared to bet on Russia’s antiterror experience. As Chinese commentator Xiao An (晓岸) stated, “It is unthinkable if the Chinese leader is absent from Sochi when help is needed, precisely when China and Russia share similar perspectives in areas of

domestic reforms, national restoration, regional stability, curbing Japan's historical revisionism, promoting rise of new forces, countering West's political arrogance and opposing hegemonism,."

Aside from these bilateral and strategic considerations, the Japan factor was also in play in the decision to make the trip to Sochi. Several days before the Chinese Foreign Ministry announcement, Chief Cabinet Secretary Suga Yoshihide disclosed that plans were being made for Prime Minister Abe Shinzo's trip to Sochi to attend the opening ceremony, but that nothing had been finalized. Japan "disclosed" Abe's plan to visit Sochi at a time when the two East Asian giants were waging a diplomatic war of words around the world about interpretations of history in the 20th century. More than 40 Chinese ambassadors took to the public space to denounce Japan's version of the Rape of Nanjing, the comfort women system, Yasukuni Shrine visits, the Diaoyu/Senkaku Islands dispute, etc. It is unclear if Xi's decision to go to Sochi was driven, at least partially, by Tokyo's disclosure of Abe's travel plans. Tokyo, however, never hid its intention for a higher-than-China profile in Sochi. A Japanese government official remarked, upon learning about Xi's attendance that, "China must have made the decision in rivalry with Japan." For Abe, his Sochi trip would create a more favorable environment for progress in relations with Russia, both in resolving their territorial issues, and hopefully some strategic intimacy with Moscow as a hedge against a rising China.

Meanwhile, President Putin made a strong overture to China three days before the announcement of Xi's visit. Speaking Jan. 17 to a press conference, Putin said that "China is a great country with great culture" and that the "Chinese are interesting, hardworking, and wise." For Russia, both Asian powers were highly valued guests in Sochi given that leaders from most major Western countries were planning to skip the event, notably including Barack Obama, David Cameron, François Hollande, and Angela Merkel, in protest of Russia's human rights record, Edward Snowden, Syria, etc. Good relations with the two most powerful Asian nations not only broadened Russia's geostrategic clout, but also positioned Moscow in a favorable and "commanding," if not indispensable, position between Beijing and Tokyo. Even without Sochi, improving relations with Tokyo had been a policy goal of Moscow's own Asia-Pacific "pivot." A more "balanced posture" in Asia would serve multiple purposes: to connect Russia with the most dynamic economies of the world, to bring badly needed economic inputs to the Far Eastern part of Russia, and to correct its China-heavy and Japan-light posture.

The Chinese media described Xi Jinping's decision to join the Sochi opening ceremony as "the first major and correct foreign policy decision for 2014" (重大且正确的外交决策) for both Sino-Russian relations and Eurasian geopolitics. This was the also the second consecutive year that Xi made his first visit abroad of the year with Russia as the destination. "As two world-class powers on the fast track for internal transformation and development, China and Russia have unlimited common interests and willingness to cooperate," said Feng Shaolei (冯绍雷), China's top Russia specialist and dean of the School of International Affairs in Shanghai's prestigious East China Normal University. Xi's Sochi visit "will certainly be of special meaning for the Russian people," said Ambassador Denisov, who went on to say that the two heads of state "will synchronize watches" on "a wide range of issues in bilateral relations and on the international agenda."

President Xi, perhaps more than any top Chinese leader, is known for his passion for sports and seemed determined to be the first top Chinese leader to go abroad for a major sports event like the Olympics. Xi's Sochi trip had another goal, or dream: to launch the bidding for China to host the 2022 Winter Olympics in Beijing-Zhangjiakou. If successful, Xi will be in his last year as China's top leader (since Deng, Chinese top leaders usually stay in office for two five-year terms). "We are here to learn from the Russian people, Russian athletics and success story of Sochi in holding winter Olympics," Xi told a Russian TV reporter a day after his meeting with Putin in Sochi. Both are strong leaders at home, having emerged from traumatic times, and determined to make their respective countries strong and respected in the world. Sports are just one of many common denominators for these two leaders.

Of the 40-some foreign leaders at the opening ceremony in Sochi, Xi was the first to meet Putin. Indeed, Xi's visit "will certainly be of special meaning for the Russian people," said Ambassador Denisov. In comparison, Putin's lunch meeting with Abe, which took place two days after the opening ceremony, was somewhat more personal as Abe was greeted with Putin's dog "Yume," a Japanese Akita, which Abe brought as a gift during his visit to Russia. During the Putin-Xi meeting, they "reached new important consensus while planning and making deployment for the development of China-Russia relations," according to the Chinese Foreign Ministry. Xi first congratulated Putin on the Sochi Olympics saying that "The Sochi games are a symbol of how Russia is heading toward strength and prosperity." The meeting covered a wide range of issues including Ukraine, Korea, Syria, economics, military sales, and World War II commemoration in 2015. Xi also welcomed Russia to participate in the development of China's newly launched Silk Road Economic Belt, which links 24 cities from eight countries in Central and West Asia.

During the meeting, the two sides reiterated their commitment to jointly commemorate the 70th anniversary of the end of the World War II in 2015 – an occasion that has become increasingly sensitive in Asia due to Japan's recent efforts to reinterpret its wartime past, including repeated visits to the Yasukuni Shrine, and the denial of "comfort women" and of the Nanjing Massacre. In a separate interview with Chinese TV journalists, Putin revealed how he spent his 61st birthday with Xi just a few months before (October 2013) during the annual APEC meeting in Bali: "... we drank a little vodka together and even had sandwiches like university students," recalled Putin.

Unlike other summits, however, there were no documents to sign and no joint communique was issued. Xi and Putin jointly held video talks with captains of Chinese and Russian naval vessels escorting ships carrying Syrian chemical weapons. Chinese Capt. Li Pengcheng and Russian Capt. Peshkurov briefed Xi and Putin on their missions, authorized by UN Security Council Resolution 2118. The Chinese and Russian naval vessels had completed the first two escort missions for the Norwegian and Danish cargo vessels carrying chemical weapons materials on Jan. 7 and 27 to a specially fitted US ship for on-board destruction.

The joint video conference sent a strong message that Beijing and Moscow would pursue more policy coordination in regional and world affairs, as was the case in Syria. Several times in the past few years, Russia and China either blocked or watered down sanctions proposed by Western nations in the UN Security Council, leading eventually to the soft-landing of the Syrian chemical weapons crisis in late 2013. "China and Russia should from this day forward continue deepening

our consultations and cooperation on major international issues and together maintain world and regional peace, security and stability,” President Xi was quoted saying. In turn, President Putin said that Russia and China intended to make every effort to strengthen international security.

In exchange for tangible support for Sochi and Syria, China sought broad support from Russia in two areas: China’s Silk Road Economic Belt strategy, launched in late 2013, and the worsening security situation in Northeast Asia, particularly in relation to Japan. On the economic front, Putin promised to work closely with his Chinese counterpart in promoting cooperation in the areas of energy, nuclear, aerospace, transportation, and military technology. The Japan question, though, was more sensitive. Xi and Putin did manage the “Japan issue” as they decided to jointly commemorate the 70th anniversary of the end of World War II. Putin was quoted as saying the crimes committed by Nazi Germany and Imperial Japan should not be forgotten.

China’s Sochi logic

China’s support for Sochi was by no means driven solely by a geopolitical mindset. At least two additional factors were at work. One was the recent memory of the 2008 Beijing Olympics, which was, from a Chinese perspective, seriously and unnecessarily politicized prior to the games. As if the around-the-world-Olympic-torch-relay that became China’s public relations disaster was not enough, the opening ceremony of the Beijing Games was accompanied by an annoying reprise of the “guns of August,” albeit in South Ossetia and Abkhazia along the Georgian-Russian borders. Western criticism of Sochi was therefore not convincing or justified. Putin’s Russia, for all of its deficiencies, is no Soviet Union, which was known for its ideological passion and frequent use of its vast military power.

In China’s public discourse, there is discernible sympathy for Russia’s predicament. An editorial in the Feb. 7 *Global Times* wondered why Russia was so consistently bad-mouthed by Western media when there had been no “major problems” in Russia in previous years. One conclusion to draw is that Western-style democratization may not be enough to be accepted by the West. For major countries like Russia and China, the West’s policy depends solely on its geopolitical interests. “Russia is much smaller and its relative power is no comparison with those of Stalin or Brezhnev eras,” and “it has been largely on the defensive,” said the same paper on Feb. 8. Still, media in the West were bashing and even cursing Putin’s Russia just as its forebears did many decades ago toward the Soviet Union, commented *Global Times*. Perhaps, suggested the editorial, this was the way the West has sought to settle the “final account” with Putin for his unhelpful behavior regarding Syria and the Snowden affair. The West was leading human civilization and had considerable spiritual influence around the world. Yet in the case of Sochi, the West was selfish, narrow-minded, and with little tolerance of others, continued the editorial. It warned that such a propensity by the West could give rise to a future threat. This was because “these West-centrists may not be aware that what they are doing now is affecting Russians’ reshaping their world outlook; and that they are sowing the seeds of the past conflicts into the soil deeply ploughed by globalization,” warned the *Global Times*.

In China’s diverse media environment, *Global Times* does not have a monopoly on China’s Russia policy. It is, however, relatively close to the official strategic logic behind China’s policy and enjoys considerable popular support. Despite its strong rhetoric surrounding Sochi, the

Global Times editorial tried to play down the geopolitical implications of Xi's Sochi trip. "Xi Jinping's Sochi visit by no means suggests that China opts to confront the West," stated the paper. "In fact, the combined forces of China and Russia are far weaker than those of the West. It is unwise, and ultimately unsustainable, if the Sino-Russian strategic partnership relationship is based on confrontation with the West." This was because "the West is important for both China and Russia. And closer cooperation between the two would be conducive to their respective relations with the West, which means the West would become more accommodating," argued the paper. With the rapidly deteriorating situation in Ukraine, these cautious words for a closer Sino-Russian cooperation started to be accompanied by, and contrasted with, stronger arguments for closer ties with Moscow.

Embracing the Ukraine storm and China's neutrality

Ukraine, a country of 46 million, has been torn between its Russian-speaking east and south and pro-European west. Tensions between these groups date back to the Stalinist era and Nazi times. The dissolution of the Soviet Union and Ukraine's unexpected independence in 1991 further distanced Ukraine from Russia's orbit, which was accelerated by the color revolution, chaotic street politics, and economic dysfunction. This culminated with the flight of Ukraine President Viktor Yanukovich to Russia on Feb. 21, two days before Sochi's closing ceremony.

Ukraine's "farewell" to Russia, however, has been as painful as its turbulent incorporation into Russia over the centuries. The reverse was perhaps also true for Russia. "The West must understand that, to Russia, Ukraine can never be just a foreign country," warned Henry Kissinger in the *Washington Post* on March 3. He noted that "Russian history began in what was called Kievan-Rus. The Russian religion spread from there. Ukraine has been part of Russia for centuries, and their histories were intertwined before then... Even such famed dissidents as Aleksandr Solzhenitsyn and Joseph Brodsky insisted that Ukraine was an integral part of Russian history and, indeed, of Russia." Kissinger's classic realism has apparently had little effect for those on the ground as events took on a life of their own.

"The Ukrainian issue was raised at the Russian-Chinese talks in Sochi and the two leaders stressed the inadmissibility of foreign interference in the developments unfolding in Ukraine," Kremlin Press Secretary Dmitry Peskov told a news conference shortly after the meeting. It was unclear what exactly Putin briefed Xi on about the rapidly deteriorating Ukraine crisis. The day they were meeting, a conversation between US Assistant Secretary of State for European and Eurasian Affairs Victoria Nuland and US Ambassador to Ukraine Geoffrey Pyatt was intercepted and uploaded to *YouTube*, presumably by Russian intelligence.

Publicizing these rather undiplomatic remarks by Nuland was widely believed to embarrass Washington and to drive a wedge between the US and its European allies. One also wonders if the appearance of this intercepted phone conversation on *YouTube* sought to impress Xi while also convincing him of the need for greater strategic coordination in dealing with the Ukraine crisis. President Putin perhaps understood that as an independent power, China had its own interests in Ukraine, which may not entirely overlap with Russia's own interests. In facing growing pressure from the West, China's support for Russia in the crisis in Ukraine was of high value for Moscow.

The Putin-Xi Sochi summit was both timely and crucial. Within two weeks, President Yanukovich fled to Russia. This was just 24 hours after Russian Prime Minister Dmitry Medvedev warned Yanukovich not to let opponents walk over him “like a doormat,” the strongest signal from Russia directly linking the end of street protests to the delivery of \$2 billion in loans (the second tranche of the \$15 billion Russian economic package to Ukraine). In another week, Russia moved to annex Crimea. The crisis in Ukraine, however, is far from over.

Beijing was alarmed by the rapidly escalating crisis in Kiev, particularly by the open and ubiquitous US and EU support for the opposition groups. By February, what was seen as an opportunity for China in late 2013 (Yanukovich’s visit to China and an \$8 billion loan package to Ukraine) was fast evaporating. So were China’s extensive interactions in the areas of military-technological connections, which has been a major source of China’s military modernization. There was, however, little China could do to help defuse the crisis because of its good relations with both Russia and Ukraine and given the escalating confrontation between Russia and the EU/US. Neutrality is perhaps the rational, or least harmful, choice for Beijing.

On Feb. 24, the Chinese Foreign Ministry spokesperson said that China had been closely following the situation in Ukraine and called for the crisis to be resolved through consultation. “China does not interfere in Ukraine’s internal affairs, respects the independent choice made by the Ukrainian people in keeping with Ukraine’s national conditions and stands ready to foster strategic partnership with the Ukrainian side on an equal footing,” she said.

Putin’s move into Crimea apparently surprised China. On March 3, the Foreign Ministry spokesperson said “China is deeply concerned with the current Ukraine situation” and reiterated that China has been urging all parties in Ukraine to address their domestic disputes peacefully in accordance with the country’s law, safeguard the legitimate rights of the Ukrainian people of all ethnicities, and restore social order as soon as possible. He said China always sticks to the principle of non-interference in any country’s internal affairs and respects the independence, sovereignty and territorial integrity of Ukraine. For the case of Crimea, however, “There have been reasons for today’s situation in Ukraine,” but the spokesperson did not detail the reasons.

These unexplained “reasons” were described by a top Chinese Russian specialist as being that for China, Russia’s Crimea takeover was “illegal but understandable or justifiable” – illegal according to international laws of sovereignty, but understandable given the West’s earlier interference in Ukraine’s internal affairs while ignoring Russia’s interests. “The Chinese expressed understanding of Russia’s analysis of the roots of the deep political crisis in Ukraine and the role external forces supporting the Maidan played in it, and of the nonimplementation by the Maidan of the Feb. 21 accords on ways to settle the crisis,” the Russian Foreign Ministry said in a statement issued on March 3 following talks between China’s Deputy Foreign Minister Cheng Guoping and Russian counterpart Grigory Karasin in Moscow. For the same meeting in Moscow, China’s official news media had this to say:

The two sides expressed deep concern on the current situation in Ukraine, condemned the extreme violent acts in Ukraine, called on relevant various parties in Ukraine to emphasize the destiny of their own people and the nation’s fundamental interests, seek political solution to

differences within the legal framework and through dialogue and consultations, and realize *Ukraine's stability, economic development, and social harmony* (emphasis added).

Of the three goals for Ukraine in the above statement, the word “sovereignty” was missing. At the time of the Crimea takeover, the West was crying for the safeguarding Ukraine’s sovereignty while Russia insisted on the principle of self-determination. Xi reiterated China’s tacit agreement with Russia’s handling of the Crimea case when Putin initiated a telephone conversation on March 4, and Xi used a similar expression that the Crimea issue was “not from nowhere (偶然中有必然).” To balance this tacit understanding of Russia, Xi told Putin that he believed Russia would “help resolve the issue through political means and maintain regional peace and stability,” which both entrusted Putin to soft-land the crisis and avoided China’s direct mediation in the crisis resolution.

What’s to be done? China’s dilemma in the Ukraine crisis

China’s articulated neutrality, albeit not without preference, triggered a rather lively debate in China. Niu Jun (牛军) of Beijing University, for example, argued that “nobody understood” China’s publicly expressed neutrality regarding Ukraine. China wanted to support Russia, but not its military interference in Crimea; China pointed to the complexities of the Ukraine trap, but also wanted to emphasize Ukraine’s sovereignty and territorial integrity. In essence, China misjudged the Ukraine situation, and thus found itself in an unprecedentedly awkward situation (少见的尴尬). Separately, a *Phoenix TV* (PRC backed) commentator in Hong Kong went so far as to say that the Russian military action in Crimea violated international law because “Russia has conveyed a clear and straightforward message that Moscow is capable of using military means to achieve political goals when dealing with international disputes. Russian military action in Crimea is an out-and-out military aggression that disrupts regional and international order.” On March 12, the more liberal *Nanfang Dushi Bao* (Southern City Daily) in Guangzhou published an article by it by columnist He Jingjun who questioned the legality behind Crimea’s referendum, and its union with Russia.

These arguments, however, were among the minority in China. A poll of 1,703 people conducted by the *Global Times* Global Poll Center on March 4 in seven cities including Beijing, Shanghai, Chengdu, and Shenyang indicated that nearly half of respondents supported Russia sending troops to Crimea and roughly 80 percent supported the move as they believed it was justified for Russia to fight back against the West infringing upon its interests. Some 35 percent of respondents were against Russian troops entering Crimea and nearly 20 percent did not hold a clear stance. “Most respondents support Russia sending troops to Crimea because they have seen the disasters that Western neo-interventionism brings upon the world,” said Wang Haiyun, a former military attaché to Russia, currently serving as the senior advisor at the China Institute for International Strategic Studies in Beijing. “They are disgruntled by the chaos such interference has given rise to and don’t want to see the turmoil spill into more regions.”

At a more professional level, Russia’s successful takeover of Crimea was very much admired by the Chinese military. Yang Yucai, a professor at the crisis management center of the PLA National Defense University in Beijing, believed that Russia set an example of strong crisis management with a firm legal basis. In his op-ed piece in *Global Times*, Yang noted that “the

Putin administration's high efficiency in managing the regional crisis is impressive." This was because of the united security institution led by the Federal Security Service (FSB), a high level of strategic planning, and government agencies' strong enforcement capabilities. "In such a way, close collaboration between parliament agencies and diplomatic, military, security and intelligence organs is ensured, and the authority, consistency and flexibility of emergency policies made by Putin can be guaranteed," argued Yang. The author paid particular attention to Russia's making decisions based on law and on response plans. "This principle of acting according to the law also ensures that departments at various levels can play to their own role and make complementary decisions when necessary," said Yang. Yang concluded by saying that "Fundamentally speaking, highly efficient crisis management depends on constant buildup of security capabilities," and suggested that Russia's economic difficulties actually provided a certain sense of crisis and the spirit of hard work of the elite and the whole nation. As a result, "Russia's military and diplomatic authorities have fostered a strategic tradition of positive defense, active interference and the spirit of risk-taking. A generation of generals and strategists with great ambitions has emerged. Ordinary Russian soldiers also uphold the principle of taking active actions." Yang's assessment of Russian crisis management behavior paid less attention to Russian President Putin, who is widely believed to be behind Russia's swift takeover Crimea. Yang's assessment, however, is identical to some Western evaluations, such as those by Reuters' Peter Apps, regarding the Russian military and its performance during the crisis (see Peter Apps, "Ukraine crisis gives NATO, West few good options," Reuters, March 2, 2014; "After Crimea, Western spies, armies to up Russia focus," Reuters, April 7, 2014).

Given the obvious pro-Russian sentiment and positive assessment of Russia's crisis behavior in China, as well as China's enormous interests in a peaceful resolution of the Ukraine crisis, not-so-passive neutrality of China seemed to be the mainstream Chinese opinion on the proper policy approach for China. In an editorial titled "China Should Mediate in Ukrainian Crisis," *Global Times* argued that there is no such thing as total "neutrality." Nor should China remain "just a spectator." "If it is indeed impossible to be impartial ... China should place not making Russia disappointed ahead of not making any party disappointed," suggested the editorial. Beyond this, it is in China's interests to mediate (劝和) between various parties involved for two reasons. First, the Ukraine situation should not continue to deteriorate. Second, Russian interests in Ukraine should be recognized and respected by the other parties, and China should advise the West not to push Russia too hard in order to move toward a compromise acceptable to all parties. The paper recognized that China does not have much experience in mediating international conflict, and it may lack self-confidence to mediate between the West and Russia. Yet who is more qualified than China as a mediator now, given China's good relations with both Russia and Ukraine, as well as its large number of dialogue channels with the West?

The *Global Times* editorial offered little specifics for a more "active" neutrality approach to the Ukraine crisis. What the editorial defined seemed to be a bottom line: if there was nothing else that China could or should be doing, the current strategic partner relationship with Russia should be preserved at all cost. In other words, if China cannot save its interests in Ukraine, it should not lose more with others. China's current neutrality, or strategic ambiguity regarding Ukraine is, therefore, both an advantage and a constraint. For a large power like China with extensive interests in Ukraine, its current inability to do anything regarding the Ukraine crisis is a dilemma, although it is the least costly option if the situation in Ukraine escalates further.

In an editorial two days later, *Global Times* went further by insisting that “backing Russia is in China’s interests.” It was obviously debating with those who “think China’s policy of non-interference will be tested in this matter and that if China supports Russia, it will become ensnared in a diplomatic trap. This is the mentality of the weak. The West has interfered in the internal affairs of many countries, but never admitted it,” argued the editorial. To operationalize this proactive stance, China should stick to its neutral policy diplomatically but slightly favor Russia, which can be accepted by many countries and will pave the way for China to play a mediating role. In the words of Yang Cheng, deputy director of the Center for Russian Studies at East China Normal University in Shanghai, Beijing should adopt a “positive, facilitating gesture” that comes along with its prudence on the issue.” “It is inclusive. ... The message is that China is ... trying to play a proactive role,” Yang told the *China Daily* on March 10.

China’s domestic discourse regarding Ukraine thus gradually moved toward a more proactive posture. On March 15, when China abstained from a Western-backed UN Security Council resolution condemning Crimea’s referendum on joining Russia, PRC Permanent Representative to the UN Liu Jieyi made a three-point proposal: first, an international coordination mechanism including each party should be established to explore approaches to a political solution to the Ukraine crisis; second, all parties should not take any action that further worsens the situation at this time; and third, international financial organizations should begin to explore how to assist Ukraine in maintaining economic and financial stability.

China’s proactive, or conditioned, neutrality during the Ukraine crisis was well received in Russia. In his emotional speech on March 18 to both the houses of the Russian Parliament and the Federal Assembly, President Putin said that, “We are grateful to everyone who has treated our steps in Crimea with understanding. We are grateful to the people of China, whose leadership – [applause] – whose leadership viewed and views the situation around Ukraine and Crimea in its historical and political entirety.” Putin went on to praise India’s “restraint and objectivity.” The China factor, nonetheless, appeared to weigh more in the strategic calculus for both Putin and the audience (Russian lawmakers), as was indicated in their long and louder applause for China’s understanding.

China’s interests in Ukraine

China’s limited policy options regarding the current Ukraine crisis, however, do not necessarily mean that Beijing should be cast away for any meaningful resolution of the crisis, both in Ukraine and in Russian relations with the West. In this connection, it is useful to understand China’s extensive interests in Ukraine. First and foremost, the long-term stability of Ukraine is in China’s basic interests. This is largely driven by China’s extensive economic interests in, and cooperation with, Ukraine. China is Ukraine’s second largest trading partner after Russia (\$10.2 billion in 2012) and is the third largest market for Ukrainian goods. By 2013, China had invested \$10 billion in Ukraine across many fields including infrastructure, energy, transportation, aerospace, machine tools, chemistry, and agriculture, among others. Ukraine received another \$8 billion investment offer during Ukraine President Yanukovich’s China visit in December 2013.

A fast growing area of cooperation between China and Ukraine is in the agricultural sector. In 2012, China and Ukraine signed an agreement for agriculture cooperation. Another agreement was reached in September 2013 for China to “rent” farmland in Ukraine. According to this 50-year contract, China would eventually rent up to 3 million hectares of Ukraine’s farmland, which is about 5 percent of Ukraine’s total arable land. The land deal is of strategic significance for China given the tight ratio between China’s huge population and its extremely limited arable land (only 9 percent of the world’s arable land for 20 percent of world grain consumption). Ukraine, in contrast, has 23 percent of the world’s black-soil farmland and has long been known as Europe’s breadbasket.

Perhaps more than any other country in the world, Ukraine has played an almost indispensable role in China’s military modernization, including sale, design, and technology transfers of aircraft engines (*AI-222* for China’s *L-15* trainer), naval gas turbines (*DN/DA-80* and *UGT-25000*), diesel engines for the *Al-Khalid* tank developed for Pakistan, research and development for China’s military transportation aircraft (*Y-8*, *-9*, and *-10*), *Zubr*-class amphibious hovercraft, and the Soviet *Varyag* aircraft carrier (refurbished into China’s *Liaoning* aircraft carrier). China’s \$8 billion financial package to Ukraine in December 2013 also had significant military components. Partially because of large military sales to China, Ukraine became the world’s fourth largest arms exporter in 2012, after the United States, Russia, and China.

In contrast to Russia’s military sales to China, Ukraine has been more flexible in technology transfers, particularly in the sensitive areas of military aircraft design and production, carrier-related products (such as landing cables, for example), and hover craft (model *I2322*). In early 2014, a long *Global Times* article was titled, “China could not achieve its military modernization without Ukraine.” Over the past 20 years, China has obtained some 30 key military-related technologies from Ukraine and China has managed to get almost anything it wanted. In 2005, Ukraine provided China with a *T-10* jet, the pre-production model of the carrier-based *SU-33* fighter, to Russia’s disappointment. China also hired a large number of Ukrainian scientists and engineers from the bankrupted military-industrial complex in Ukraine shortly after the Soviet breakup. Between 1992 and 2002, China “imported” more than 10,000 such personnel from Ukraine and managed to transfer more than 2,000 military technologies. In 2006 alone, more than 2,000 Ukrainian scientists and engineers were invited to visit and/or work in China.

In the past 20 years, Sino-Ukrainian military transactions have thrived despite Ukraine’s domestic instability. Indeed, China has managed to forge a good relationship with various Ukrainian administrations regardless of their party affiliations. The current turmoil in Ukraine, however, seems to threaten the fundamentals of this mutually beneficial relationship. If Ukraine indeed fragments, or comes under greater influence of either the EU or Russia, China would not be able to maintain the same level of military sales and technology transfers. A stable and neutral Ukraine is therefore in the best interests of China.

At the geostrategic level, a stable and neutral Ukraine would serve as a buffer between Russia and the West. Both are important for China’s long-term interests and it does not have to choose between the two. Finally, Ukraine would continue to serve as an important foothold for China’s economic drive to Central Europe. Of the \$19 billion in investment and loans that China made to

Central Europe, about \$8 billion is earmarked for Ukraine. All these interests require a stable Ukraine. China's current neutrality, therefore, is perhaps the only rational approach.

Defining crisis

With the rapidly deteriorating situation in Ukraine, analysts in China started to question the West's paraphrasing of the Chinese phrase of "crisis" (危机) as "danger" (危) and "opportunity" (机) pioneered by Stanford political scientist Alexander George in the 1970s. For Beijing, George's interpretation of the Chinese phrase is by no means a mere case of "lost in translation" with elements of rewards and hope. The two Chinese characters once put together as a phrase really means "dangerous times."

After the killing of more than 100 antigovernment protesters in Kiev's Maidan in late February and the death of more than 30 pro-Russian protesters in Odessa on May 2, Ukraine had reached an "point of no return" and the country "is split in the minds and hearts of many of its own citizens," claimed Piotr Dutkiewicz, a prominent scholar of Eurasian affairs. Meanwhile, an editorial in *Global Times* warned that the real threat in the current chaos in Ukraine is that no side is able to control the situation; nor does anyone appear to have a way out. As a result, the entire situation is being driven toward an irrational end by accidental but extreme occurrences. Under these circumstances, a war in Ukraine is not to be made by any particular blueprint of the sides. It will nonetheless come because one side takes an extra step with the hope that the opposing side may blink. Such a war could be one of sheer terror because it is fused with revenge and racial rage generated by hastily armed masses. Such a war could drag on without any distinction between ceasefire and a real battle, thanks to inputs from outside forces on both sides. To avoid this worst-case scenario, Europe needs to compromise. Blowback is almost unavoidable if one party consistently overplays its power against the other side.

The pessimistic tone in the editorial was striking and it was perhaps not unrelated to some emerging trends in China's national strategy. For quite some time, Putin's suggestion to form a political alliance (政治联盟) with China was not well-received in Beijing. Months of turmoil in Ukraine and the grave danger of a much bigger conflict, however, seemed to have finally convinced many in China's foreign policy community that it is time to respond to Russia's initiative for closer political ties. On May 6, China released its first blue paper on national security (《国家安全蓝皮书：中国国家安全研究报告(2014)》) that explicitly suggested that China pursue a strategy of "allying with Russia, reaching out to and enhancing relations with Europe, and stabilizing relations with the US (联俄、拉欧、稳美).

Despite its deep involvement in the Ukraine crisis, Washington seems rather indifferent to these creeping, but perhaps systemic, trends on the Eurasian continent. On March 4, 2014, or two days after Crimea was "quietly" taken over by Russia, the Pentagon released its 2014 Quadrennial Defense Review (QDR). Curiously, this guideline for the US defense posture for the next four years has very little about Russia except a brief statement: "We will continue to work to achieve a Europe that is peaceful and prosperous, and we will engage Russia constructively in support of that objective" (page 35).

For China, and perhaps more so for Russia, the ghosts of the “total wars” of the past century are haunting again precisely 100 years after the outbreak of World War I, a four-year carnage that nearly wiped out an entire generation of European youth (10 million dead and another 20 million wounded). Worse, this “war to end all the wars” (Woodrow Wilson) turned out to be the beginning of a much bigger human slaughtering that made the 20th century the bloodiest in human history (casualties for Russia and China in World War II were 27 million and 35 million, respectively). Further escalation of the Ukraine crisis would not just restart what Samuel Huntington called the “Western civil war” (from the 1848 Treaty of Westphalia to the end of the Cold war in 1991). It may well be another step toward the worst in human history because of the overkill capacity by both sides.

Chronology of China-Russia Relations January – April 2014

Jan. 25, 2014: Russian nuclear-powered missile cruiser *Petr Velikiy* and Chinese frigate *Yancheng* drill together in the Mediterranean Sea after escorting the first consignment of Syrian chemical weapons from the Port of Latakia to the Italian coast. The ships practice air defense, helicopter deck exchange (landing on each other’s deck), and joint command. This is the first time the Chinese Navy has held an exercise in the Mediterranean.

Feb. 6-8, 2014: President Xi Jinping joins the opening ceremony of the 22nd Winter Olympics in Sochi, Russia. On Feb. 6, Xi and President Vladimir Putin meet in Sochi.

Feb. 6-8, 2014: President Xi and Czech President Milos Zeman meet in Sochi for 45 minutes. They agree to launch the Warsaw Initiative in Prague in late 2014, following the first and the second such forums in Warsaw and Bucharest in April 2012 and November 2013, respectively. The forum is a meeting for economic cooperation and includes China and prime ministers of 16 central and eastern European countries.

March 3, 2014: Russian Foreign Minister Sergey Lavrov has a telephone conversation with Chinese counterpart Wang Yi to exchange opinions on the situation in Ukraine. A press release by the Russian foreign minister notes that “the foreign ministers “broadly agree” on the Ukraine situation” and agree to continue to stay in close contact on the issue.

March 3, 2014: China’s Vice Foreign Minister Cheng Guoping and Russian Deputy Foreign Grigory Karasin, who is responsible for bilateral relations with the Commonwealth of Independent States (CIS), hold consultations on the affairs of the CIS in Moscow.

March 4, 2014: President Putin initiates phone conversation with Xi Jinping to discuss Ukraine.

March 12, 2014: President Putin signs a law ratifying the agreement between Russia and China, easing travel regulations. It allows visa-free travel for holders of business passports for up to 30 days, in addition to existing visa-free travel for holders of diplomatic passports.

March 15, 2014: Russia vetoes a draft UN resolution criticizing the secession referendum in Ukraine's Crimea region; China abstains from the vote.

March 18, 2014: In his speech to both the houses of the Russian Parliament and the Federal Assembly regarding the Crimea referendum to unite with Russia on March 16, President Putin praises China's stance during the Ukraine crisis.

March 24, 2014: The five foreign ministers of the BRICS nations (Brazil, Russia, India, China and South Africa) meet on the sidelines of the Nuclear Security Summit at The Hague.

March 25, 2014: President Xi meets Foreign Minister Lavrov on the margins of the Nuclear Security Summit in The Hague. They exchange opinions about the situation around Ukraine and the upcoming Russia-China contacts on the summit and high levels.

March 27, 2014: Shanghai Cooperation Organization (SCO) holds a second expert panel consultation on antiterrorism in Beijing.

March 28, 2014: SCO Regional Antiterrorism Structure (RATS) Council holds its 24th meeting in Tashkent. The theme is consideration of regional security in the SCO area after the partial pullout of US and NATO troops from Afghanistan.

March 28, 2014: The "Chinese-Russian Youth Friendly Exchange Year" is launched in St Petersburg. Presidents Xi and Putin send special congratulatory messages.

March 29-April 1, 2014: Chinese State Councilor and Defense Minister Chang Wanquan visits Tajikistan to attend the SCO Defense Ministers Meeting on April 1. Chang meets Russian counterpart Sergey Shoygu who thanks China for supporting Russia regarding Crimea. Shoygu also expresses support for China's proposal to set up a new anti-terror center within the SCO.

March 31, 2014: Russian business channel *RBK TV* reports that President Putin has agreed in principle to sell China two to four *S-400* surface-to-air missile systems.

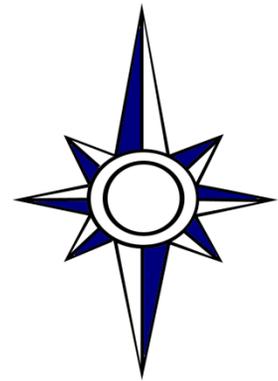
April 9, 2014: Vice Premier Zhang Gaoli and Deputy Premier Arkadiy Dvorkovich meet in Beijing to co-chair the China-Russia Energy Cooperation Committee. Dvorkovich meets State Councilor Yang Jiechi the following day.

April 15, 2014: Foreign Minister Lavrov makes a working visit to Beijing and is received by President Xi.

April 17-19, 2014: Chinese Vice Premier Wang Yang visits Russia for the chairmen meeting of the Joint Commission for the Regular Meetings of Chinese and Russian Prime Ministers. The meeting is also to prepare for Putin's visit to China in May.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



Satu Limaye
East-West Center

India-East Asia Relations: Rebalancing Indian Style

India-East Asia relations since the beginning of 2013 are a model of “low drama.” India continues to steadily manage and move forward its relations with both large and small countries – from China to Laos – using a mix of tools including government policy, the private sector, and broader societal links. India has been diplomatically, economically, and to some extent militarily rebalancing toward the Asia-Pacific for about 20 years; a result of a combination of factors including the dissolution of the Soviet Union and the “Eastern bloc,” the economic dynamism of East Asia, and India’s own “Look East” policies combined with some Asian countries reciprocal efforts (e.g., Japan and ASEAN countries) to expand the role of “external” powers in the region. A careful analysis of India-East Asia ties suggests how much progress has been made in expanding ties and how much potential remains. Closing this gap will be the story of India-East Asia relations for decades. But as tensions rise in Asia and regional countries jostle for economic growth, diplomatic space, and security reassurances it seems a safe bet that India will continue to be an element, and possibly an increasingly important element, of the strategic picture.

India and China

India-China relations revolved around two major visits in 2013 and early 2014. The first, May 19-22, 2013, was by Premier Li Keqiang to India. Although this was the first visit by Li to India as an official of the People’s Republic of China (PRC) government and his first visit outside China since being named premier, he had visited India in 1986 as the leader of a youth delegation. During the May 2013 visit, the two governments issued a 35-point Joint Statement and signed eight agreements to develop sister city and state/province relationships, translate 25 classic and contemporary works from each country, and coordinate specific work programs of the Joint Economic Group. An agreement also covered Chinese reporting on water level, discharge, and rainfall at three hydrological stations on the mainstream Brahmaputra.

On economic issues, Prime Minister Singh expressed ongoing Indian “concerns about the trade deficit and sought increased market access to China for [Indian] exports and investments. [He] also invited increased Chinese involvement in the vast opportunities in our infrastructure and manufacturing sectors.” Premier Li responded only by saying that “the two sides will discuss and explore ways to achieve trade and investment liberalization and facilitation and to work out a practical roadmap for arriving at a dynamic balance in our trading relationship. The two sides will also promote cooperation in infrastructure and industrial zones...” There is some sense that India’s primarily security-based impediments to Chinese telecom investments in India (e.g., Huawei), have in turn led China to impose restrictions on Indian pharmaceutical and information technology exports.

Apart from a fairly robust two-way trade relationship of about \$100 billion (with an Indian deficit of about \$30 billion in 2013), the value of Chinese investment projects in India is substantial. Indeed, an Indian official, when asked by an Indian journalist about a \$35 billion figure for Chinese investment in infrastructure responded by saying that “Actually the figure is \$55 billion” and by clarifying that this is the “amount of [Chinese] projects that are either completed or in the pipeline in India” and “not investment in terms of foreign direct investment” or “setting up factories or units” but rather “projects which Chinese companies are doing in India including in many sectors as well as the infrastructure sector.” The focus on mutual investment prospects was also highlighted by India’s ambassador to Beijing, who said that “Really both sides saw investment as providing part of the solution to trade problems, that if there was more investment it would in a sense facilitate trade between the two countries, it would create more employment, it would open up new areas. I think projects particularly in the infrastructure sector were very positively looked at.”

One new bilateral economic mechanism established during the visit was the first meeting of the India-China CEO Forum (several CEO Forums between India and East Asia countries were established in 2013 and 2014). On wider global and regional economic issues, an Indian briefer said “regional trade and connectivity came up for discussion. This included issues like the RCEP and the RTA, the bilateral FTA, which as many of you would be aware is a goal that we are looking at when conditions are right.”

PM Singh made two key points during his press appearance with PM Li. First, he linked continued productive India-China relations with management of border and territorial differences. Such a blunt linkage appears to be something new, perhaps reflecting acute tensions especially in the Western sector of the border dispute. Singh said, “The basis for continued growth and expansion of our ties is peace and tranquility on our borders. While seeking an early resolution of the boundary question, Premier Li and I have agreed that this must continue to be preserved.” India’s Ambassador to China S. Jaishankar said “I think the main point made from our side was that peace and tranquility on the border is the foundation of our relationship.”

PM Singh also referred to current efforts to manage border issues saying “We also took stock of lessons learnt from the recent incident in the Western Sector, when existing mechanisms proved their worth. We tasked our Special Representatives to consider further measures that may be needed to maintain peace and tranquility along the border. We agreed that our Special Representatives will meet soon to continue discussions, seeking early agreement on a framework for a fair, reasonable and mutually acceptable boundary settlement.” Premier Li retorted that “with regard to the boundary question, one that is left over by history, the two sides have over time established the principles for settling this question. And in the meantime we have worked together to maintain tranquility and peace in the border areas. Both sides believe that we need to improve various border-related mechanisms that we have to put into place and make them more efficient, and we need to appropriately manage and resolve our differences.”

China and India are negotiating “a border defense cooperation agreement” (BDCA). The Indian press cast the agreement as one under which troop levels will be frozen and thus blunt Indian plans to expand forces and capabilities along the border. When asked about the issue at a press

briefing prior to Premier Li's visit to Delhi in May, Joint Secretary for East Asia Guatam Bhambawale said only that the topic was being discussed between the two countries and we would have to "wait and see." But Indian officials denied that BDCA had actually been discussed between PM Singh and Premier Li. S. Jaishankar, when asked "was the border defence cooperation agreement discussed or how to go forward on it?" simply said "no." He noted that the PRC draft proposal had been given to India on March 4 and India had replied on May 10. Therefore it "is not at all surprising the matter did not come up because it is still something on which we need to engage them in detailed discussions."

A second issue prioritized by PM Singh during PM Li's May 2013 visit was river waters and specifically "...India's concerns about the effects on lower riparians of activities in the upper reaches of our shared rivers. It would be useful for the mandate of our Expert Level Mechanism to be expanded to include information sharing on upstream development projects on these rivers. I am glad that we have agreed to expand cooperation on trans-border rivers. It would also be useful for India and China to collaborate on a better understanding of the stresses on our shared Himalayan ecosystem." Premier Li responded "With regard to Indian concerns about trans-border rivers, in recent years we have shared hydrological information with the Indian side bearing in mind the overall interests of our relations and acting in a humanitarian spirit. And we stand ready to step up communication with the Indian side with regard to the development of water resources and environmental protection."

A second important visit occurred when Prime Minister Singh visited Beijing Oct. 21-23. An 11-point Joint Statement was issued but contained few surprises. Both sides reaffirmed a commitment to their so-called "Strategic and Cooperative Partnership for Peace and Prosperity" on the basis of the "Five Principles of Peaceful Coexistence [Panchsheel]. The statement noted that the exchange of visits between the prime minister of India and the premier of China within the same calendar year was the first since 1954 and claimed that this "has great significance."

One intriguing announcement was that "India and China will discuss with Myanmar appropriate ways of commemorating the 60th anniversary of the Five Principles of Peaceful Coexistence [Panchsheel]," especially since the original five principles were signed bilaterally in 1954, between India-China and China-Myanmar. A trilateral commemoration is noteworthy given the competition among between China and India in Myanmar. Which country initiated the idea of a trilateral commemoration is unclear, but that both Beijing and New Delhi have now publicly agreed to it (presumably after having consulted with Nay Pyi Taw) is notable.

Two of the nine substantive points of the Joint Statement dealt with economic issues – and these were also the most extensive elements. The two sides expressed commitment to mechanisms such as the Strategic Economic Dialogue and the Joint Economic Group. A new initiative appears to be "to look into the prospects of a bilateral Regional Trade Arrangement (RTA)."

Of the nine agreements and MoUs signed during the visit (three of which dealt with city- and provincial-level interactions), the two most important were a new Border Defense Agreement and one on cooperation on trans-boundary rivers.

India and China already have several agreements and mechanisms to manage border and territorial disputes. The Joint Statement specifically cited the “previous agreements signed in 1993, 1996 and 2005 that recognize the principle of mutual and equal security...” There is also of course the long running but utterly inconclusive Special Representative Talks. The need for yet another Border Defense Agreement (BDA) can thus be seen both as another step forward in refining border management or yet another layer of delay and a sign of the ineffectiveness of existing arrangements. In either case, the BDA is based on four concepts that India’s ambassador to Beijing laid out in quite useful detail in a press briefing during PM Singh’s visit. The key “take-away” may be that the BDA is designed to manage very specific behaviors and tactical problems that could arise along the un-demarcated borders.

As for the trans-boundary rivers agreement, PM Singh characterized it only as “incremental progress.” He went on to say “They have agreed to supply data for more number of days. Also they have recognized that the behavior [sic] of the trans-border river system is of interest to all riparian states. So, our concerns have been put on the table. I hope there will be progress in years to come.”

It is not clear what 2014 will bring in the bilateral relationship, especially once a new government takes power following India’s elections in April-May. But the two sides have announced that they will mark the 60th anniversary of the Five Principles of Peaceful Coexistence (Panchsheel) in 2014 by designating it as the “Year of Friendly Exchanges.”

India-Japan relations

The symbolic height of India-Japan relations during the period under review occurred in late 2013 when Japan’s emperor and empress visited India from Nov. 30-Dec. 5. This was the first-ever visit by a Japanese emperor and empress to India, and the first time the same couple came to visit India 50 years previously. The visit advanced India-Japan relations in a general rather than specific way both in its symbolism and marking the end of the first 60 years of diplomatic relations.

A key highlight of India-Japan relations during 2014 thus far has been the visit of PM Abe in January as chief guest for India’s Republic Day – the first Japanese prime minister to be accorded this honor. The emphasis on security issues is notable – the subject of seven of the first 10 points of a 51-point Joint Statement. Both sides reiterated “their resolve to further deepen the Strategic and Global Partnership between India and Japan.” Specifically, following Abe’s elaboration of Japan’s policy of “Proactive Contribution to Peace,” Singh reportedly “appreciated Japan’s efforts to contribute to peace and stability of the region and the world.” On the one hand, this comment is not a resounding show of support for Abe’s plan for a more active foreign and security policy much less a call for Japan to undertake collective self-defense, but the anodyne statement combined with other elements of bilateral security cooperation does welcome Japan’s more muscular role. For example, the two prime ministers said they were satisfied with the first meeting in December 2013 of the Joint Working Group (JWG) on US-2 amphibian aircraft and welcomed a second meeting in March 2014. Such cooperation could not take place absent relaxed restrictions on Japan’s arms exports. The two sides also welcomed the second bilateral navy-to-navy exercise in December 2013 off the coast of Chennai and announced plans

to conduct a joint exercise in the Pacific Ocean in 2014. The specific reference about conducting exercises in both the Indian and Pacific oceans is likely a signal of mutual Indo-Pacific interest; highlighting Japan's range of action extending to the Indian Ocean and India's to the Pacific. However, there does seem to be some sense that these initial steps require further consolidation and effort as reflected in the statement that the two sides felt it necessary to "reaffirm the importance of such exercises, and renew their resolution to continue to conduct them on a regular basis with increased frequency." PM Abe, in his media statement, referred to the need to "step up cooperation in the area of maritime security," but he mentioned this would be done "through active dialogue and visits" rather than exercises. Still, maritime safety and security is being enhanced through "counter-piracy activities, participation in bilateral and multilateral exercises as well as sharing of information" and a dialogue between the two countries' coast guards.

The two leaders also noted Japanese Defense Minister Onodera Itsunori's 2013 visit to India and "welcomed the decision of the two defense ministers to realize the visit of Indian Defense Minister to Japan within 2014." It is worth noting that the joint statement highlighted the US-Japan-India Trilateral Dialogue directly in the context of a bilateral Japan-India defense relationship that includes a "2 + 2" dialogue and a Defense Policy Dialogue. A new mechanism launched during the visit was bilateral consultations between the two National Security Councils.

The prospect of India-Japan civil nuclear cooperation remains distant. Singh would only say "Our negotiations towards an Agreement for Cooperation in the Peaceful Uses of Nuclear Energy have gained momentum in the last few months." Abe was even more circumspect offering only that he and Singh "agreed to continue talks with a view to the early conclusion of the agreement."

Prime Ministers Abe and Singh also discussed a range of economic issues including Japan's considerable economic assistance to India as well as efforts to promote trade and investment. Eight bilateral agreements were signed on cooperation ranging from specific assistance projects to improved health care and tourism.

Abe's important visit to India demonstrates that India-Japan relations have moved beyond "small ball," but it has not reached major league status either. As Abe concluded in his media statement, "The relations between Japan and India have the greatest potential of any bilateral relationship anywhere in the world."

India-South Korea

India-South Korea relations in 2014 got off to a high-level start with the Jan. 15-17 visit of President Park Geun-hye to New Delhi. The last few years have seen regular high-level exchanges with President Lee Myung-bak going to Delhi as the chief guest at Republic Day in 2010, India's president traveling to Seoul in 2011, and PM Singh going to the ROK in 2012.

A joint statement issued at the conclusion of President's Park trip expressed satisfaction with the state of the "Strategic Partnership" established in January 2010. But the statement also made clear that the two countries are seeking to take the relationship further because the full potential of bilateral relations has not been reached. They therefore "agreed to develop the Strategic

Partnership between the two countries in a more substantial and concrete manner.” The main mechanisms for political security dialogue are the India-ROK Joint Commission, Foreign Policy & Security Dialogue, the India-ROK Defense Ministers’ Dialogue and the Joint Committee on Defense Logistics and Industry. The two countries agreed during the visit to launch a dialogue between their National Security Council structures and a dialogue on cybersecurity. So, while there is an infrastructure in place for advancing relations and it was agreed to continue to use these mechanisms on a regular basis, concrete developments are limited. For example, both sides welcomed the conclusion of an Agreement on the Protection of Classified Military Information.

On the economic front, there were no major announcements as both sides agreed to upgrade the Comprehensive Economic Partnership Agreement (CEPA) that came into effect in 2010. Other initiatives to build trade and investment ties included the initialing of the revised Double Taxation Avoidance Agreement, establishment of a India-ROK Joint Trade and Investment Promotion Committee at the cabinet-level as an “expanded and restructured replacement of the current India-ROK Joint Investment Promotion Committee, as well as the establishment of a Korea Trade Promotion Corporation (KOTRA) office in Bangalore and Korea International Trade Association (KITA) office in New Delhi. Both leaders also committed themselves to revising the India-ROK Air Services Agreement. The actual trade and investment levels between the two countries remain well below potential. According to a press briefing at the time of the visit, India’s Ministry of External Affairs (MEA) estimates that Korean FDI in India is about \$3 billion and India’s FDI in ROK is about \$1 billion. Given the size of the two economies, this is miniscule. The news on the trade front is no better. Though trade increased in 2010 and 2011 following CEPA’s entry into force, an Indian official acknowledged that in 2012 bilateral trade has slowed and India continues to run a deficit.

Regarding the long-running discussions about civil nuclear cooperation, the joint statement said only that the “the two leaders agreed to hold regular exchanges to expand cooperation in the civil nuclear energy sector.”

India and Southeast Asia/ASEAN Relations

2013 was expected to be a less active year in India-Southeast Asia relations because 2012 was the 20th anniversary of India-Southeast Asia/ASEAN relations as dialogue partners and the 10th anniversary of a summit-level dialogue. In fact, there were important mutual bilateral visits during the year. India participated fully in the Brunei-hosted 8th East Asia Summit and the 11th ASEAN-India Summit in October. PM Singh traveled to Myanmar in March 2014 to participate in the third Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Summit held in Nay Pyi Taw. Overall trade reached just over \$75 billion in 2012 – just surpassing the goal of \$70 billion. A goal for two-way trade at \$100 billion was set during the 11th ASEAN-India Summit. However, as of this writing, an ASEAN-India Trade in Services and Investment Agreement has not been signed, though the Chairman’s Statement at the 11th ASEAN-India Summit expects operationalization by July 2014. In a March 2014, India’s external affairs minister stated that “We have completed our process for signing of the FTA on Services and Investment and we await the completion of the processes amongst the ASEAN countries.” In April 2014, India also announced the creation of a separate mission to

ASEAN with a resident ambassador as an example of commitment to the ASEAN-India Strategic Partnership.

India and Vietnam: “6 years into the strategic partnership”

India and Vietnam shared two important visits in 2013. From Jan. 14-17, India’s Vice President Hamid Ansari visited Hanoi for the closing ceremony of the “Year of Friendship between India and Vietnam.” However, the highlight of bilateral relations was the November 2013 visit to India of General Secretary of the Communist Party Nguyen Phu Trong. This was the general secretary’s first state visit to India. A 32-point Joint Statement focusing on strategic engagement, economic partnership, cultural ties, and cooperation, both regionally and globally was issued. Eight bilateral agreements were signed including an agreement to share and protect classified information in order to support implementation of the November 2009 MoU on Defense Cooperation and an MoU between Vietnam Oil and Gas Group and India’s ONGC Videsh Ltd “for association in the field of exploration, development and production of petroleum resources between the two countries for new investments by OVL in oil and gas blocks in Vietnam for oil and gas exploration and production. Petro Vietnam is also invited to participate in open blocks in India and in third countries.” The latter is significant as it makes the point that the two countries will continue to cooperate in this area despite expressed PRC opposition to such cooperation in disputed areas of the South China Sea.

PM Singh and General Secretary Trong noted the widening and deepening of defense and military ties, including training of Vietnam’s naval and air force personnel, and welcomed the agreement to protect classified information. But it seems that the \$100 million line of credit for defense cooperation that was earlier extended to Vietnam by India has not been utilized or at least not fully as “both sides continue to work closely on suitable terms and conditions...” Both Delhi and Hanoi consider security ties important and in mid-April 2014 the 3rd India-Vietnam Strategic Dialogue was held in New Delhi.

Hanoi and New Delhi also reiterated their commitment to freedom of navigation in the East Sea/South China Sea and called on parties to “exercise restraint, avoid threat or use of force and resolve disputes through peaceful means in accordance with universally recognized principles of international law, including the UNCLOS. They also welcomed the collective commitment of the concerned parties to abide by and implement the 2002 Declaration on the Conduct of Parties in the South China Sea and to work towards the adoption of a Code of Conduct in the South China Sea on the basis of consensus. They called for cooperation in ensuring security of sea-lanes, maritime security, combating piracy and conducting search and rescue operations.”

On economic issues, the two sides noted that the target of \$7 billion in bilateral trade by 2015 was within reach. They set a target of increasing bilateral trade to \$15 billion by 2020. Nevertheless, a decision was made to form a new Joint Sub-Commission on Trade to expand ties. On the investment front, Singh “requested General Secretary Trong to facilitate them further in Vietnam” while expressing appreciation for Hanoi’s decision to award Tata Power a \$1.8 billion thermal power project and another offshore block to ONGC Videsh Ltd for “continued oil and gas exploration.” At the time of the July 2013 India-Vietnam Joint Commission meeting, External Affairs Minister Salman Khurshid noted that Indian FDI in Vietnam stood at about

\$936 million in 86 projects across many sectors. Hanoi has acknowledged Indian requests about facilitating investment. Prior to the general secretary's visit for example, Foreign Minister Pham Binh Minh, speaking at a press conference after the July 2013 Joint Commission Meeting said "Vietnam is committed to creating favourable conditions for Indian business investing in Vietnam."

Two other notable areas of economic cooperation are banking and credit. An MoU between the two countries' central banks is intended to move representative offices into "full-fledged branches in the near future." Speaking after the July 2013 Joint Commission Meeting, External Affairs Minister Khurshid announced that India had extended 17 Lines of Credit totaling \$164.5 million and was considering extending another \$100 million.

On wider international matters, General Secretary Nguyen specified that his country "highly appreciates" India's support for Hanoi's candidacy for a non-permanent membership of the UNSC for the 2020-2021 term and "reiterates its support for India to become a permanent member of the enlarged UN Security Council and a non-permanent of the UN Security Council for subsequent terms."

India-Thailand

The main event of India-Thailand relations in 2013 was the visit of PM Singh to Bangkok on May 30-June 3 to meet PM Yingluck Shinawatra. The two countries issued a comprehensive 41-point Joint Statement. Unlike in other India-East Asia bilateral relationships, trade and investment cooperation topped the agenda – the first section of the Joint Statement.

Both sides expressed satisfaction that trade stood at \$8.6 billion, an increase of over 15 percent per year for the past five years. However, no specific target was set for additional growth. Each leader emphasized the importance of investment for economic growth and job creation. In 2012, it was reported that Thailand's Board of Investment approved some 25 Indian investment projects worth about \$200 million. This suggests fairly small investments. Meanwhile, Thai FDI into India remains very limited at about \$12 million in 2012. Both countries seek investment from the other for major infrastructure projects. Singh and Shinawatra announced the establishment of a Thailand-India Business Forum to facilitate private sector partnerships. Another measure was a fast-track business visa service to qualified entrepreneurs. The big measures for expanding trade, however, remain slow-moving. A Thailand-India FTA has been under negotiation and there was "hope" that it could be concluded after the June-July 2013 negotiations in Bangkok. Precisely what constitutes a "comprehensive and balanced outcome" for the FTA as called for in the joint statement is unclear.

India and Thailand are emphasizing connectivity through the development of road and shipping infrastructure linking the two countries. An example is the India-Myanmar-Thailand Trilateral Highway Project. The goal is to complete the project by 2016. However, many are skeptical about these connectivity projects including links to the port at Dawei. But air connectivity is strong with some 150 flights between the two countries per week.

No new initiatives were announced in defense and security relations, which revolve around a Defense Dialogue, mutual defense minister visits, and coordinated patrols (CORPATs) between the two navies.

In 2014, Her Royal Highness Princess Maha Chakri Sirindhorn of Thailand, an eminent scholar of Sanskrit and Pali, visited historical and religious sites across India and met Indian officials. The visit keeps India-Thailand relations engaged at a high-level following Yingluck Shinawatra's visit as chief guest for Republic Day and PM Singh's 2013 visit to Bangkok.

India-Indonesia

PM Singh's Oct. 10-12, 2013 visit to Indonesia was the key event for this bilateral relationship. Amazingly, this was the first official, *bilateral* visit of Singh to Jakarta though he had attended the Asian-African Summit to commemorate the Bandung Conference in 2005 and the East Asia Summit in 2011. Despite the establishment of a "Strategic Partnership" in 2005 during President Yudhyono's visit to India and the issuance of a joint statement for a "Vision for the India-Indonesia New Strategic Partnership Over the Coming Decade" in 2011 – again during Yudhyono's visit – very little progress has been made. In 2013, the two countries therefore articulated a "five-pronged" (echoing Five Principles of Peaceful Co-Existence or Panchsheel) approach to improving ties.

Strategic engagement and defense and security cooperation topped the joint statement. The main instruments for defense cooperation are the Joint Defense Cooperation Committee and the service-level staff talks. During the visit it was decided that staff talks, which already exist between the two armies and navies, should be expanded to include the two air forces.

The bilateral economic partnership remains modest but full of potential. Two-way trade stands at about \$20 billion, but growth has been quite slow, increasing five-fold in about a decade. India's FDI in Indonesia is about \$10 billion. According to an Indian briefer during PM Singh's visit, "[t]here are some issues regarding some of these investment projects." Based on India's request, the "President of Indonesia has agreed that there will be a joint high-level task force which will go into issues pertaining to investment and encourage two-way flow of investment because this is again another very important area of cooperation." The two countries also launched a CEO Forum, the first meeting of which was chaired by India's minister for commerce and industry.

India-Philippines

Regular high-level India-Philippine discussions are a new feature of India's "Look East" policy as well as Manila's wider diplomatic activities in the context of the Philippines' disputes with China in the South China Sea. Clearly, both Delhi and Manila see good reasons to strengthen their relationship. An example is the new India-Philippine Joint Commission on Bilateral Cooperation. The 2nd meeting of this mechanism was held Oct. 21, 2013 when India's external affairs minister traveled to Manila to discuss a wide range of bilateral, regional and international matters. But it is also clear that while both countries share concerns about China's assertive behavior and flimsy claims, New Delhi is proceeding especially carefully. For example, the joint statement issued at the conclusion of the Second Joint Commission meeting noted that while

“Secretary Del Rosario briefed Minister Khurshid on developments in the *West Philippine Sea* [emphasis added]” the response was a bland “support for a peaceful resolution of the *West Philippine Sea/South China Sea* [emphasis added] dispute consistent with freedom of navigation and the rule of law.”

Though both sides used carefully and distinctly differently worded statements on the maritime issue, an interesting but still quite limited new feature of bilateral relations is defense cooperation. A Joint Defense Cooperation Committee (JDCC) has been established, two meetings of which have been held, and commitments made to expand military training and education exchanges. Specifically, “Secretary Del Rosario thanked Minister Khurshid for the naval ship visits which strengthened relations between Philippine and Indian navy and coast guard forces.”

India and Laos

In September 2013, External Affairs Minister Khurshid travelled to Laos for the 7th India-Lao Joint Commission Meeting (JCM) on Bilateral Cooperation. He also took the occasion to inaugurate the Second Roundtable of the ASEAN-India Network of Think Tanks.

In the India-Laos talks an agreement was signed to provide a \$30.94 million credit line for four irrigation projects in three provinces in the Laos. Another line of credit was signed to substitute the Nam Boun-2 hydro power plant by the extension of transmission lines to Thasala-Laksao. The value of this credit was reported as \$35.25 million.

India-Australia

Two “bookend” (in January and November) foreign minister-level visits were the high points of bilateral relations in 2013. The two visits offered an opportunity to build on the October 2012 state visit of then-Prime Minister Julia Gillard. Foreign Minister Bob Carr came to Delhi Jan. 19-22 for the 8th round of the Foreign Ministers Framework Dialogue of the two countries, which included discussion of a range of issues including Afghanistan, maritime security in the Indian Ocean, strengthening regional and global institutions such as the East Asia Summit and G20, and combating terrorism. One specific outcome of the visit was agreement to “an expanded bilateral dialogue on cyber policy,” but no details were provided. Reporting indicates the dialogue will commence after completion of India’s elections and formation of a new government.

The main announcement from the January 2013 visit was an agreement to hold the first round of negotiations on a civilian nuclear cooperation agreement on March 18. The Australian side framed this agreement in the context of India’s energy needs, saying “India’s energy needs are growing quickly and the country has set a target of 25 per cent of base-load power generation to be nuclear by 2050.” At the time of this writing, reportedly four rounds of talks have been held – the latest in Canberra in February 2014. In an interview with India’s *The Hindu* Australia’s Ambassador to India Peter Suckling said “The negotiations went very well. There is a good spirit in the negotiations. We are looking at having another [round of talks] shortly. We are making a significant progress... I’m very optimistic.” But he noted that “Currently, there are some points

of differences we are working through ... India has its template. We have our template. We are working out how we can reconcile those two ... I don't think there is any show-stopper.”

In November 2013, India's External Affairs Minister Khurshid travelled to Perth to participate in the Indian Ocean Region Association for Regional Cooperation (IOR-ARC) meeting. India concluded its chairmanship of the organization, and Australia assumed the chair.

On the economic front, India-Australia trade and investment continues to grow. Two-way trade stands just under \$17 billion: India is Australia's fourth largest export market and the ninth overall trading partner. Ambassador Suckling opined that doubling the volume of trade by 2015 was possible and cited growing Indian coal imports from Australia as a component of expanded trade. He also noted that India's investment in Australia had climbed to just under \$12 billion. However, despite five rounds of talks, India and Australia have not reached a Comprehensive Economic Cooperation Agreement and it is expected that the two governments will take up the issue after a new government takes power in Delhi.

Conclusion: India and East Asia

As this review of India-East Asia relations is being written, India is completing its national elections and will then form a new government. While basic diplomatic ties between India and East Asia will continue during this transition period, it is difficult to imagine that it will be a period of new initiatives and dramatic departures in relations. It is well worth noting that several other Asian countries are also conducting elections. There has been speculation about what a government headed by Narendra Modi, who is expected to become India's prime minister, will mean for India-East Asia relations. But so far there is little in the election manifestoes, past actions, or election rhetoric that provides “hard evidence” about the future direction of relations. Given the roughly 20-year record of the rebalance in India's relations with East Asia, it is reasonable to expect that relations will deepen and strengthen at a rate that fits the capacity and interests of both India and the region, no matter what others might wish or deem possible.

Chronology of India-US Relations January 2013 – April 2014

Jan. 14-17, 2013: Vice President Hamid Ansari Visits Vietnam for closing ceremony of the India-Vietnam Friendship Year.

January 19-22, 2013: Australian Foreign Minister Bob Carr visits India.

March 26-27, 2013: India's External Affairs Minister Salman Khurshid visits Japan for the 7th India-Japan Strategic Dialogue.

May 9-10, 2013: India's External Affairs Minister Khurshid visits China for consultations on the proposed visit of Premier Li Keqiang.

May 19-22, 2013: Premier of the State Council of the People's Republic of China Li Keqiang makes a state visit to India and got to both Delhi and Mumbai.

May 27-29, 2013: India's Prime Minister Manmohan Singh visits Japan for the annual summit of prime ministers.

May 30-31, 2013: PM Singh visits Thailand.

July 1-2, 2013: External Affairs Minister Khurshid visits Brunei for ASEAN-related meetings including the ASEAN Regional Forum, ASEAN Post-Ministerial Conference, East Asia Summit Foreign Ministers Meeting, and the 11th ASEAN-India Foreign Ministers Meeting.

July 3-4, 2013: External Affairs Minister Khurshid visits Singapore and addresses the Singapore India Chambers of Commerce and Industry (SICCI).

July 10-12, 2013: Vietnam's Foreign Minister Pham Binh Minh visits India for the 15th meeting of the India-Vietnam Joint Commission on Trade, Economic, Scientific and Technological Cooperation.

Sept. 8-10, 2013: External Affairs Minister Khurshid visits Laos for 7th India-Lao Joint Commission Meeting on Bilateral Cooperation and 2nd ASEAN-India Network of Think Tanks (AINTT) Conference.

Oct. 9-10, 2013: PM Singh visits Brunei to attend the 8th East Asia Summit and the 11th ASEAN-India Summit.

Oct. 10-12, 2013: PM Singh visits Indonesia.

Oct. 21-23, 2013: External Affairs Minister Khurshid visits the Philippines for the second India-Philippines Joint Commission on Bilateral Cooperation.

Oct. 22-24, 2013: PM Singh visits China.

Oct. 23-24, 2013: External Affairs Minister Khurshid visits Singapore for bilateral consultations.

Nov. 1, 2013: External Affairs Minister Khurshid visits Australia to participate in the Indian Ocean Region Association for Regional Cooperation (IOR-ARC) meeting in Perth. India concludes its chairmanship of the organization and Australia becomes chair.

Nov. 19-22, 2013: State visit of Nguyen Phu Trong, general secretary of the Communist Party of the Socialist Republic of Vietnam, to both Delhi and Mumbai.

Nov. 30-Dec. 5, 2013: State visit of emperor and empress of Japan to India.

Jan. 15-18, 2014: State visit of President Park Geun-hye of Republic of Korea to India.

Jan. 25-27, 2014: Japanese PM Abe Shinzo visits India.

Feb.23-28, 2014: Royal Highness Princess Maha Chakri Sirindhorn of Thailand visits historical and religious sites across India and meets Indian officials.

March 3-4, 2014: PM Singh visits Myanmar for BIMSTEC Summit.

April 17, 2014: Third India-Vietnam Strategic Dialogue held in New Delhi.

April 23-26, 2014: India's Foreign Secretary Sujatha Singh visits Tokyo for bilateral consultations to "focus on the implementation of ideas and projects decided at the Annual Summits and maintain the momentum of the India-Japan Strategic and Global Partnership."

About The Contributors

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