In an era of inflection and change around the world, many are seeking a new global equilibrium. There is severe uncertainty in countries large or small.

It is a time of economic concern, in that, especially in the Asia-Pacific, economic issues affect security postures. To analyze security, these complex realities must be considered.

The region – indeed much of the world, needs China’s continued strong growth, in many ways dependent on Chinese internal factors. Problems include:
- Europe; the single currency’s weakness from debt in the south, as well as masses of political (and economic) migrants/refugees.
- Oil prices, high or low!
- Difficulties in “emerging market” countries, many reflecting weakness of the economy in China.

There is an historic rebalance of world power relationships:
- The idea of a G-2 is wrong, but China and U. S. face complex bilateral and general issues. Recent presidential meetings are encouraging.
- WTO: It has been difficult for an expanded WTO to reach agreements, so regional trade deals, e.g., TPP, RCEP flourish.
- Power Vacuums: Serious instability in Middle East – Islamic radicals and *Daesh*, the Islamic State that aims to cross all borders. Effects in East Asia small so far, but must be watched.

**Asia Pacific Security:** In a long view, rather good. CSCAP and regional institutions have helped. Confidence is built in many ways.
- Compares well with other areas in world
- Caution: Susceptible to miscalculation/incidents.
- Better capacity to manage.

**Internal conflicts:** Mostly old ones: Myanmar, Philippines, Pakistan, Uighur/Tibetan/ S Thailand. Serious, but with limited danger of spreading beyond borders.

**Terrorism:** Appears in many forms. May be affected by Middle East conditions and movements.

**Nuclear weapons proliferation:** Non-state actors and greater use of nuclear power are real.
- North Korea: Its nuclear weapons programs are a major concern: DPRK’s ever greater missiles and nuclear weapons capabilities are an obvious security concern, especially as its claim of being threatened is so excessive.
- Was or is the DPRK threatened with attack by USA? After 62 years of no war, and a vulnerable and prosperous U.S. ally so close, does the DPRK really need nuclear weapons to deter? Nuclear weapons increase dangers.
- Armistice now 62. A treaty could – and should - replace it, but a “treaty” that ignores nuclear weapons or Republic of Korea and its 50 million, is not warranted. And the Republic of Korea has chosen not to have nuclear weapons.
South China Sea Maritime Issues

Complicated, involving several countries and interests of many – Concerns, but difficulties should not be exaggerated. Basic issues of Law of the Sea (LoS) are important:

No support in international law for claiming a large sea as sovereign territory of a country. Equally, LoS gives no sovereign rights to submerged reefs.

There is some hope to build on: China says will not interfere with seaborne commerce, and states that there will be a peaceful nature of these new islands.

Goals in my view: A Code of Conduct with meaningful provisions, and, among other claimants, a settlement of simpler claims.

Larger Issues: Pollution and the environment, infectious diseases, climate change, demographic effects such as aging. These and others are the difficult challenges. Lowered tensions in the Asia-Pacific permit progress on these. We must keep this in mind.

To summarize and conclude, the Asia-Pacific, despite problems, has sound mechanisms to manage them. No country has an interest in its neighbors failing or severely troubled. This is what can be called “win-win,” and can be a basis for further reducing tensions.