

China in the Times to Come

Ambassador Chas W. Freeman, Jr. (USFS, Ret.)

Remarks to the China Studies Center, Washington, DC
27 March 2007

We are here to inaugurate a new center for research, analysis, and education about China, a country to our far West that never stops challenging the minds of those who study it or the character of those who rule it. No country has had a history of comparable continuity. None so well illustrates how seldom the future repeats the past but how easily it can rhyme with what has gone before.

China had a couple of bad centuries, but it is back, and it is on the way to the center of global affairs. As China restores itself to wealth and power, its leaders display a resolute confidence in the future. But they are also mindful that no one has ever before tried to govern a republic of 1 1/3 billion people in a territorial expanse the size of a continent, still less to transform so many ambitious individuals and obstreperous regions into a harmonious but innovative whole. What are the implications of China's success or failure at this task?

Our country came into being as the age of Atlantic dominance and the industrial revolution began to eclipse China and India. Americans therefore have no experience with the more normal condition of human history, in which Asia was for millennia the global center of gravity. One way or another, in the 21st Century, China and its neighbors will determine what the resumption of Asian leadership in more and more fields of human endeavor means for an emerging post industrial world, including for us Americans. Despite the challenges of doing so, we have ample reason to try to understand China and other Asian countries as they are, not as our politicians and pundits prefer to depict them.

At the birth of the United States of America, what some then called "the Celestial Kingdom" loomed large in our imagination. At that time, China was well over a third – nearly two-fifths – of the world's economy. We were accordingly obsessed with breaking past our former British rulers into a direct relationship with the Chinese economy. We knew little of China itself, but we had inhaled the European idealization of it as the most ethically advanced and orderly, as well as the most populous, realm on the planet. As they designed our system of government, the brilliant political engineers who were our founding fathers drew on Leibniz' and Voltaire's musings on the secrets of the good society China exemplified to its Jesuit admirers. And they took note of Montesquieu's

condemnation of China's reliance on civility and the rule of manners rather than the rule of law to assure public tranquility.

Of course, none of them really knew what they were talking about. We are fortunate that our founding fathers' ambitions to build a better system of government than those in Europe, though based in part on Eurocentric misinterpretations of Chinese politics and society, were so very well realized. It turns out that ignorance can sometimes stimulate creative speculation as well as error. Mistaken European notions about China ended up contributing to theories that inspired our constitution, a living document that continually challenges us to respect the extraordinary wisdom it incarnates.

China has now once again captured the American imagination. And, as always, it is a place where ignorance remains no impediment to confident prediction. So it is not surprising that politically expedient assertions about China have become as American as fortune cookies, and as sententiously meretricious as the prophecies and advice these encase.

Almost every ideological faction and interest group in our country now asserts its own vision of the People's Republic. Some do so out of fascination; others out of dread. Many seek to use China to prove their point in our political process or to raise money for the cause to which they are committed. Sometimes, for example, in the matters of Taiwan, Tibet, or the democracy movement in Hong Kong, Americans are enlisted by lobbyists acting on behalf of separatist or dissident movements in greater China. Those who wish America to go abroad in search of monsters to destroy can always find one worthy of our attention there. China has become a screen on which Americans can project both our reveries and our nightmares.

Some points of discord can't be helped. Benedict XVI is understandably no fonder of Hu Jintao and the patriotic Catholic movement in China than Clement VII was of Henry VIII and the breakaway bishops of the Anglican Church. The fact that the majority of Chinese are agnostics has always been an affront to American Protestant evangelists. Chinese, for their part, have bad memories of gunboats escorting foreign missionaries up their great rivers and of tens of millions of deaths from rebellions instigated by cult religions like the Taiping version of Christianity. Some Americans will always stand with his Holiness, the Dalai Lama against Chinese sovereignty in Tibet, but Chinese proponents of Tibetan independence are rarer than British advocates of discarding Wales. China's family planning practices are anathema to the abortion-obsessed religious Right in our country but Chinese consider that if we had their ratio of arable land to population, as many as three billion people would live in the United States and Americans might well see population control as a public policy imperative too. And so forth.

These, and other tensions deriving from things that China rightly or wrongly regards as its own business rather than ours, rest on honest differences between Americans and

Chinese that will not be resolved unless we or they change. Neither side is likely to do that anytime soon. So if we are to cooperate to mutual advantage in less contentious arenas, we must manage the bilateral tensions that differing moral judgments about more controversial ones make inevitable. To do this, we must not only understand why each side feels as it does but what it is and isn't actually doing and what the real as opposed to the imagined consequences of what it is doing are likely to be. Such insights are even more clearly essential when it comes to elements of our bilateral and global interactions that affect our vital interests in economic prosperity, national well being, or security. Here the stakes are considerably higher for both societies.

For better or ill, China is an independent actor in these areas, not an appendage of American policy or politics. And it is an extraordinarily diverse country, including as it does not just Han Chinese and numerous minority cultures but also Hong Kong, the freest market economy on the planet, and Macau, once an Asian version of Boston's "combat zone," now an ever glitzier Oriental Las Vegas and the playground of princelings from all over. With two million Taiwanese – 10 percent of them – now living on the Chinese mainland, Taiwan is also *de facto* part of "greater China" despite its still unsettled political relationship with the other parts of the emerging Chinese commonwealth.

To deal effectively with China, Americans need to understand it in terms of its own complexities and authentic aspirations. This is unlikely to be achieved by officials engaged in writing narrowly focused and highly tendentious reports mandated by Congress to justify the single-issue agendas of our military-industrial complex or, for that matter, our humanitarian-industrial complex. Nor can it be accomplished by analysts stir-frying intelligence to suit the political appetites of those they work for. Government-friendly but politically independent study centers like the one we are inaugurating tonight have a vitally important role to play in keeping our country from developing the world's first genuinely autistic national security establishment, if only in relation to China.

Predictions about China based on a priori reasoning, ideologically induced delusions, hearsay, conjecture, or mirror-imaging have been frequent and numerous. They have racked up a remarkable record of unreliability. To cite a few relevant examples: contrary to repeated forecasts, the many imperfections of China's legal system have neither prevented it from developing a vigorous market economy nor inhibited foreign investment – of which China continues to attract more than any other country, including our own. China's failure to democratize and its continuing censorship of its media, including the Internet, have not stifled its economic progress or capacity to innovate, which are increasingly impressive. China's perverse practices with respect to human rights have not cost China's Communist Party or its government their legitimacy. On the contrary, polling data suggests that Chinese have a very much higher regard for their political leaders and government than Americans currently do for ours.

Furthermore, despite our apparent nostalgia for the aggressive expansionism of our now

inconveniently vanished Soviet rivals, there is no evidence that Beijing is at all tempted to recapitulate Moscow's suicidal effort to seek military parity with the United States. China does not accept the logic of mutually assured destruction and it shows no interest in procuring the strategic lift, bomber forces, carrier strike groups, amphibious warfare, or command, control, communications, intelligence, surveillance, and reconnaissance capabilities – and so forth – that give the United States' armed forces their unrivaled capacity to conduct offensive operations in faraway places. As a developing nation with fourteen countries on its borders, including such formidable former adversaries as Russia, Japan, Korea, Vietnam, and India, plus an unfinished civil war with other Chinese on Taiwan and the US Navy and Air Force just off its shores, China has plenty of reasons to focus on building a credible capacity to defend its own territory and few, if any, to develop a capability for the projection of force around the globe. And if it were somehow to forget these reasons and to seek to compete with us militarily for global dominion, we would have plenty of warning.

None of this means that we should cease to care about the things we care about or refrain from seeking ways to stand with those within China who share our perspective about what is good for their country. Nor does it suggest that we should be unconcerned about how China may exercise its increasing wealth and power or abandon worst-case analysis of this. But it does emphasize that we cannot afford to confuse prescription with description or to focus on the China of our dreams or nightmares rather than the one that exists. The actual China is one that has plenty of problems that are remote from our recent experience.

The fact is that, while China is no longer a weak country and is no longer the least bit isolated, it is still a poor country and parts of it remain desperately primitive. Chinese leaders' modesty in the face of foreign amazement at their country's economic progress is not feigned. It reflects a realistic appreciation, born of personal experience with conditions in places like Gansu and Tibet, of the enormous challenges and the several decades their country must traverse before it can achieve its national goal of becoming a moderately well off society. In this context, China's oft-stated obsession with assuring a peaceful international environment in which it can concentrate on domestic social and economic development makes perfect sense. It is therefore credible. As the United States once did, China focuses on domestic development and seeks friends and commerce abroad, not enemies or entangling alliances. But, poor and backward as much of it may be, China's rapid growth and its sheer size – more than a fifth of the human race living in an area about the size of the United States – call it to an ever more important role in the management of the world's affairs.

A few examples: Chinese capital markets remain only semi-developed and far short of their potential, but we've just seen that when Shanghai has heartburn, the world's stockbrokers get the hiccoughs. Quite amazingly, one can now rouse an American audience from slumber by talking about the dollar-yuan exchange rate or China's plan to

set up an official “investment company” and cut back on purchases of US “treasuries!” Four years ago, China’s initial fumbling as it tried to control severe acute respiratory syndrome (SARS) gave the world a real scare. (We must all hope it will do better with the flu pandemic that its poultry farms may now be brewing up.) Polls show that, despite its singularly unappealing political system, China has become, by a considerable margin, the most admired country all around the world. And, no one still dismisses the PLA as a “junkyard army.” China’s recent anti-satellite test, growing participation in UN peacekeeping missions, and near tripling of defense spending since 2000 mark its emergence as a considerable military power. A little soft power here, a little hard power there, and Chinese leaders could get a bit bumptious, as many suggest ours have. Will they?

They could. But, so far, the Chinese are showing that they accept that they should – as we have prescribed – be “responsible stakeholders” in the established order of regional and global affairs. Assertions that China has yet to make a choice in this regard are, quite frankly, more an embarrassing commentary on the dated outlook and political myopia of the American officials who make them than evidence of insight or serious thought on their part. For the time being, Chinese seem willing in most respects to accept continued American management of the world’s affairs. But we cannot expect them to agree that the United States is entitled to act as the “controlling stakeholder” of those affairs. As the world turns and confronts new challenges, China will increasingly demand full participation in crafting responses to them. That is appropriate and in our interest, for, increasingly, such challenges will be unaddressable without China.

This is already the case with respect to the world monetary system, in which the Renminbi yuan is poised to emerge as a major trading and reserve currency within the coming decade. We are making a big mistake by not including China in the G-8 or, better yet, replacing the G-8 with a body that more accurately reflects global financial and economic power and China’s growing share in both. China is already central to the global trade in energy, minerals, and other raw materials, in which rapidly rising Chinese demand increasingly drives prices. As an example, well before the end of this decade, China will be importing more than 600 million tons of iron ore and making more than 500 million tons of steel each year – over five times what we do. And this growth shows no sign of ending. Having cumulatively produced only 2 ½ billion tons of steel to our 7 ½ billion, China will have to produce another 30 billion or more tons to match our per capita level of capital accumulation. Don’t bet it won’t! What standing do we have to ask it not to?

Even American “dead-enders” now accept that global warming and spreading environmental degradation, as well as the constant danger of epidemic disease, present increasingly serious public policy challenges to all of humanity. As all the horror stories in our press and as tens of thousands of protests by affected people in China attest, the stress Chinese now put on their environment is much greater than we have ever placed

on ours. What China does at home and what the world is able to do about a widening range of global problems have become inextricably connected. In all the global commons – the seas, the air, or space – there can be neither progress nor security without China’s full participation as well as our own. If we were to ask for that participation, which we have not, would it be forthcoming? Could China rise to that challenge?

I am optimistic. China’s leaders are trying hard, in connection with the 17th Chinese Communist Party Congress to be held this fall, to develop a restatement of ideological principles that emphasizes the imperatives of societal and international harmony and the sinicization of Western-originated theories of innovation in science and technology. They want their country’s ideology to include comprehensive guidelines to promote the investigative and inductive reasoning processes characteristic of the earliest and best social science, to draw pragmatic conclusions from the past thirty years of socioeconomic development in China, to follow Confucius and Mencius by laying out principles for ethical behavior at home and abroad, and to recreate on Chinese soil the spirit of innovation in science and technology that inspired the industrial revolution in the Atlantic region. We should all wish the Chinese leadership well in this ambitious endeavor. The world will be a better place if they succeed in elaborating an ideology that commits them to their own and others’ peace and development.

If China can both do this and continue its progress toward a reasonably well-off society, it is not unreasonable to consider the possibilities that, by 2025:

- The Chinese yuan may have long since joined the dollar and euro as one of the principal currencies in world trade and reserves and helped to bring into being a new and more flexible global financial system in a world more secure in its prosperity;
- Those here tonight who are into wealth management and still alive may be as heavily invested in the Hong Kong and Shanghai stock exchanges as in New York or London and private Chinese investment may play a significant, sometimes dominant, role in global markets, including our own;
- Thanks to continued economic growth and the appreciation of its currency, China may have the largest economy on the planet while we continue, by a considerable margin, to have its most formidable military;
- The nature of Taiwan’s relationship to the rest of China may have been peacefully resolved, taking with it the only conceivable *casus belli* between the United States and China;
- China may have evolved a system in which rule by law, if not perhaps the rule of law, has brought about a high level of domestic predictability and tranquility;

- The habits of consultation, based on mutual respect, and the policy transparency that characterize democracy at its best may have become integral to Chinese politics, even as the Chinese Communist Party, whether by that or another more accurately descriptive name, continues in power;
- China and the United States may both be in the process of establishing a sustainable presence on Earth’s moon;
- Contributions to the advancement of science and technology by Chinese may once again be at least proportional to China’s share of the world’s population;
- China may have begun, with us, to lead the way: not in the destruction of the global environment but in its rehabilitation;
- The mounting attractiveness of China’s political and economic success may have challenged us to rediscover and reassert the values and practices that for long made others see America as the last, best hope of humankind; and
- China may have joined a united Europe, India, Japan, Brazil, Russia, the United States, and other major powers in a concert of nations that can actually accomplish some of what President Roosevelt hoped the United Nations could do – bringing about a harmonious and largely peaceful world order, increasingly free of both want and fear, and respectful of individual and collective rights as well as of the cultural diversity of humankind.

There are, of course, many far darker scenarios than these. You have heard them all. All that is required to realize them is to behave as if they are inevitable, and to interact with China as though they were. But there is surely nothing more inevitable about pessimistic outcomes than about the brighter possibilities I have outlined, which are, I think, close to what most Chinese would very much prefer. Such outcomes are not beyond our common grasp, if we work to achieve them.

Whether one is by nature optimistic or pessimistic, what is at stake in China’s return to its historic eminence in human affairs surely illustrates that FDR was right long ago to attempt – over the resistance of our European allies – to incorporate China into the governing councils of the world. That effort failed soon after its inception. If we fail now to recognize the potential for cooperation with China, as well as other nations with rapidly strengthening capabilities, and if we lack the vision to enlist the Chinese as partners in the pursuit of a better future, we will make mutually disadvantageous outcomes much more likely. Preparation to confront the worst, if unaccompanied by a vision of the better, is not “hedging;” it is a belligerent strategy of despair based on self-fulfilling paranoia. To take the right path forward, we need to know both where we are and where we want to go. We must find the potential for a better future in present realities. It is there to be found by those who look. To identify common interests with the Chinese or to cope with

conflicts of interest where these exist, we need to understand Chinese perceptions and concerns, not just our own. Helping Americans to do that is one of the main purposes of CNA's newly established China Studies Center.

That is why I was so pleased and honored to have been asked to contribute to the Center's inaugural event by offering the opening lecture in its series on "China's Challenges and the Challenge of China." Please join me in a round of applause for Dr. Col. Dave Finkelstein and all the other farsighted people at The CNA Corporation who conceived and established the center. May it and its activities flourish with the participation and support of all present here tonight!