

SINO-AMERICAN RELATIONS: AMOUR OR LES MISERABLES?

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Each of us will dearly hold onto our own vision and version of Nancy. I see her to my right at a dinner one month before she left us: Leaning in with her views. Reaching out for mine. Standing tall in her wheelchair. To her right, quietly solicitous, sat her partner on an inspiring journey, who lifted her up down the long homestretch.

While I am deeply honored to be chosen for this first memorial lecture, I could not help but wonder what Nancy would say on today's topic. Just nine days before our loss, she wrote her vision and version: "New leadership notwithstanding, the US-China relationship will remain uneasy, complicated and unpredictable. Americans need to abandon their hopes for hidden reforms and jettison the idea of an emergent, reform-oriented superhero and get on with the hard job of working with the real Chinese."

To the very end, Nancy Tucker was doubly clear-eyed.

In reading her words I sighed in agreement and relief. Of course, I need not have worried. When Nancy disagreed, she was sharp in shredding sophistry, not egos. Her mandarin name, Tong Naixin, means "Patience." Our friend was a mentor . . . not a tormentor.

China, with its phenomenal growth and lurking liabilities, velocity, volatility, and its sheer scale, befuddles and bamboozles. No wonder a so-called "China expert" is an oxymoron, if not a moron. As for me, I have reason to be humble about my expertise.

When visiting a temple outside of Beijing, Bette and I saw the head priest appear out of nowhere.

How his old eyes lit up when he learned that I was the envoy plenipotentiary from the United States and she was a genuine author. Bowing most politely, he

asked if we would be so kind as to inscribe a few words to guide and instruct future visitors.

Our egos soared to the heavens. This was an honor traditionally reserved for emperors and illustrious scholars.

Immediately Bette began rhyming couplets in her head. Immediately I began conjuring Kissingerian bromides in mine.

In no time an acolyte came bearing brush and ink and two beautiful wooden tablets.

The head priest asked if we'd mind writing in English. Bowing most politely, we eagerly agreed.

Then forthwith the priest said, "To guide and instruct our future visitors -- will you kindly write on the first tablet the word, "*LADIES*," and on the second tablet the word, "*GENTLEMEN*."

Ladies and Gentlemen, to guide and instruct you, I hacked into the temples of government. Since my technological skills peak at one finger pecking on my first generation I pad, it is clear that Beijing and Washington need to beef up their cyber defenses.

Let me leak the secret summaries of recent meetings of the Standing Committee of the Politburo and the National Security Council.

Relations with America: The Long March

Decades will pass before even our China is once again the Middle Kingdom. Meanwhile, we must paint simultaneously with two brushes to both assert our interests and avoid clashes with the stronger superpower.

The United States does not necessarily wish us well. We will never be allies, but we need not be enemies. We will often face off when interests diverge, but we can be selective partners when interests overlap. A mix of cooperation, competition and confrontation.

Clearly our relationship has a ceiling. From our very core to far-flung zones, the Americans exert pressure. They threaten our political system by promoting democracy and human rights. They mock our territorial integrity by arming

Taiwan, meddling in Hong Kong, and bowing to the Dalai Lama. They crowd our borders with provocative patrols.

They challenge our spheres of influence by inciting neighbors to contest our playing field. ASEAN was first to assert seabed rights. Japan bought our islands. We had to respond to preserve our legal positions. Yet the Americans acted like their football referees – they flagged the responders, not the instigators. They seek to contain us with their so-called pivot and its military deployments, bases, and drills. While whining about cyber warfare, they launch their own relentless attacks. And they blunt our global reach through sponsorship of their international law, ranging from sanctions to Western concepts of human rights.

Clearly our relationship also has a floor. The United States is far away, and we do not dispute territory. Neither of us wishes military conflict with all its risks and costs and distractions. Both of us have huge domestic challenges – we to become a true superpower, America to stave off decline. Our hands are full with income disparities, migration, corruption, pollution, aging and unrest fanned by bloggers. We must strengthen the Party – fewer caravans, shark fins, Rolexes and mistresses -- but not copy Gorbachev’s fatal Western reforms. We need a prolonged period of relative calm abroad to focus on our agenda at home.

Besides, there are major areas of cooperation and common concern with Washington. The mutually assured disbursement of our economies and the stability of the global system. The curse of terrorism and spread of nuclear weapons. Safe shipping lanes and piracy. Climate change and clean energy. Health, food safety, drugs and crime.

Clearly our foreign policy should reflect our swift ascension. In Secretary Xi’s words, we seek to institute “the Great Renaissance of the Chinese Nation.” For three decades Deng’s dictum -- to mask our rising power and comfort the world as we bided our time -- reigned. Now we flex our muscles in the East and South China Seas for reasons of sovereignty, security, and resources. Displays of nationalism, especially with Japan, are effective diversions from the five hundred eruptions every day in our villages, highways, streets and squares.

But we must not overplay our hand, and feed a Washington-led coalition. Trying to drive the Americans from the Asia-Pacific region is foolhardy. They have some legitimate interests, and other nations beckon them to offset our mounting strength. Deng’s central tenet remains valid – we must give top priority to building our country.

Thus we must cool the hotheads in the PLA, think tanks and blogosphere who yearn for more robust contention with a waning America, underrating its steadfast powers. Overly aggressive actions would subject us to severe backlash and forfeit useful cooperation.

So we will be firm on issues of principle and overriding national interests. For our own sake, not as a favor to Washington, we will selectively pitch in on regional and global tasks. Meanwhile we will join others like Russia to dilute American swagger and sway.

In the longer term, when we have closed the gap, our course can veer toward more cooperation or more confrontation. It will depend on American attitudes and actions.

Relations with China: Great Walls and Open Doors

We face both obstacles and opportunities with China. Our strategy mirrors that of previous Republican and Democratic administrations – competitive coexistence. We should manage our differences, expand our cooperation, and work to integrate China in the world system as a responsible stakeholder.

The People's Republic of China does not necessarily wish us well. We will never be allies, but we need not be enemies. We will undergo the inevitable strains between an established and a challenging power. With firmness and patience, with the aid of others, we should coax Beijing to value the constancy of the international order and engage in solving its challenges.

Meanwhile we insure against a more menacing future, cementing our alliances and forging bonds with China's neighbors.

Clearly our relationship has a ceiling. We peer across a chasm in political values – their crushing of dissent, draconian censorship, suppression of ethnic and religious minorities. Today Chinese foreign policy is more ominous and nationalistic. Their aggressive assertion of maritime claims could ignite military conflict. Despite official denials, Beijing seeks to reduce our influence and gain dominance in their region. They are locking up resources in Africa and Latin America. On many key regional and global issues they straddle or subvert. They are mercantilistic. Their cyber attacks are robbing us blind. They bend or break international rules, whether the WTO, human rights covenants, the Law of the Sea or UN sanctions.

Clearly our relationship also has a floor. Both sides understand the perils and costs of direct clashes. China, unlike the Soviet Union, does not station troops abroad, export its ideology, or seek to undermine other regimes. We have no territorial quarrels. We derive enormous benefits from our economic interdependence and bilateral exchanges. On several international issues we act in parallel.

Thus we should continue to reject the apostles of enmity. No way can or should we keep China down. Other nations would balk, spurning the choice between Chinese economic sustenance and the American security blanket. Containment would drain our assets. Containment would scuttle Chinese help on shared goals.

Moreover, time is on America's side. Once free from our current gridlock, we can reinforce our advantages: per capita income, military power, strong alliances, two oceans and friendly countries as neighbors, technological prowess, energy production, higher education, demography, and a political system that prompts innovation and provides for justice as well as stability.

In the longer term, we can live with a rising China. While our relative power will decline, our absolute power will not. Our policy can veer toward more cooperation or more confrontation, depending on Chinese attitudes and actions.

These secret papers illustrate the big picture. They provide previews of coming attractions. Sino-American relations will surely not be Amorous or as easy as Pi. But here's the Silver Lining . . . they need not be Miserable or a Dark Zero sum game.

Hills and valleys score the landscape of past and future dealings. In our long journey we should not succumb to either euphoria or despair. Recall that noted music critic Mark Twain. When assessing the grandiose operas of Richard Wagner he said that the music is "not as bad as it sounds." And when judging the music of Britney Spears, he opined that it is "not as good as it looks."

In short, the fixed menu for our relations is sweet and sour, replete with distinctive historical ingredients. China is not so much rising as returning. For millennia it was the Middle Kingdom, the most powerful nation on the planet. Distant countries were irrelevant, neighbors were tributaries. From one AD to the nineteenth century China's share of the global GDP ranged from 22% to 33%. Then China suffered a century of foreign humiliation from the Opium War to the Japanese invasion, and by 1950 it accounted for less than 5% of global GDP.

Hence only in recent decades has China met the world as equals. Its admirable ascent is the most rapid and sweeping ever recorded, but it retains a volatile mix of arrogance and insecurity, envy and xenophobia. Its old grudges are both real and convenient. Its own recent past of havoc, famine and massacre is airbrushed. Its future ambitions are both audacious and veiled.

Not surprisingly, two basic clusters with multiple voices now debate China's foreign policy. One camp continues to endorse Deng's mandate to focus on domestic challenges, refrain from overseas bravado and project a calibrated "peaceful rise." Adherents hail the remarkable inroads of this brand since the June 1989 Tiananmen massacre, in contrast to the blowback against China's recent muscular stance. In the other camp, the military, think tanks, and nationalistic blogs clamor for China to stand up and start supplanting the world's fading, hostile hegemon. They suspect Washington's motives and savor a shifting balance of power.

As the Politburo paper indicates, Chinese policy is modulated, realistic about American strength, but increasingly pugnacious on its core interests.

On the American side, too, historical attitudes deepen the complexity of our ties. Americans have pictured the Chinese as both the evil Fu Manchu and the noble peasant of Pearl Buck. Just since the 1940's, they have been allies against Japan; enemies in Korea; yellow hordes, blue ants and red guards; teammates against the Polar Bear; born again capitalists; the butchers of Tiananmen Square; potential partners on global challenges; and the menacing new superpower.

Today there are two extreme camps in the American debate: the apocalyptic and the apologetic.

One sees China as a dragon to slay. Facing its growing economic and military power, its unsavory political system and fierce nationalism we are at the dawn of a global struggle with a neo Soviet Union. China is a looming enemy to be curbed.

The other camp sees China as a panda to hug. Beijing has written the book on rapid development. Its fear of chaos is valid. Bilateral tensions can usually be laid at America's door. China is a looming comrade to be indulged.

The dragon-slayers magnify Chinese strengths, overlook their vulnerabilities and fail to understand that Beijing, for the foreseeable future, is too consumed by its domestic travails to mount extensive foreign adventures. The policies of these

ideologues and avid military budgeteers would render Chinese hostility a self-fulfilling prophecy.

The panda-huggers disregard the darker features of the Chinese landscape. Contract-hungry entrepreneurs, visa-anxious academics, fawning former government officials tiptoe around Beijing's domestic suppression and shrug off its mercantilism, military surge and shielding of rogue regimes. Their approach would betray American values, sabotage our interests, and lose Congressional and public support.

These tendencies have graduated shadings, of course, and number both Democrats and Republicans. Fortunately the bipartisan center of gravity rests with those who anchor a balanced approach. Eight successive Presidents, from Nixon to Obama, have pursued essentially the same course of seeking positive relations without illusions, searching for cooperation without rolling over.

Against this backdrop how should we shape our future posture? There are no sure bets or simple formulas. Once again I needed help. It came recently on a mountain top, where I discovered a stone tablet with engraved policy prescriptions, aptly entitled Lord's Ten Commitments. Let me pronounce them.

First, thou shalt not demonize China.

It seeks to spread its authority but not topple governments. While it presses nearby claims, it does not threaten American territory. It is a competitor, sometimes unfair, but it is not a conqueror. We gain from our economic links, our joint projects, our burgeoning exchanges of tourists and students. We cooperate on many international issues.

Second, thou shalt not sanitize China.

Its suppression of freedom is brutal, becoming even more so in certain spheres. On balance, Beijing is a free rider, and derider, of the global system. White-washing China undercuts both its domestic reformers and the world's governance.

Third, thou shalt not inflate China.

As the Chinese pilot announced to his passengers: "The good news is that we are way ahead of schedule. The bad news is that we are lost." The Chinese

deserve ovations for awesome advances. But Zhongnanhai knows better than outsiders the mountains they must climb. Winning the race for total GDP is not taxing when the baton is passed among 1.4 billion runners. Meanwhile for a distinct minority, the gap widens and widens. China assembles I-phones; it does not invent them. Corruption infests daily life, from birth to death. Chinese may grow old before they grow rich. Go to any major city and the changes will take your breath away ... and that, of course is the rub.

There is consensus among the leadership that the 1978 blueprints for economic reform no longer apply. Another transformation is critical. China needs greater consumption, safety nets, innovation, level playing fields, cleaner lands and cleaner hands. But are there enough heroes and helmsmen to overcome entrenched interests, nepotism, self-dealing, stacked decks, and the perpetual lusting for petty favors and access to Party power?

While China's swelling military budgets pose some distinct threats, its overall power lags ours by decades. It is flanked by fourteen neighbors – the most in the world – an unsettling medley of habitual enmity, instability, terrorism, large militaries and nuclear weapons. In Tibet and Xinjiang, forty percent of the land, reside restless souls. Its few real friends include North Korea and Syria.

No matter how many billions are lavished on Olympics, opera houses, Confucius Institutes and overseas media, China's soft power remains an oxymoron.

If Beijing does not enact fundamental economic and political reforms in the next decade, its pilots could well be lost and losing altitude.

Fourth, thou shalt not contain China.

This is impossible. It would guarantee hostility, lose cooperation, divide the world and squander our resources. China is a great nation and culture. It should be treated with respect. It deserves more seats at international tables. Its return to power should be welcomed, not resisted or feared. As a policy option, containment is a nightmare.

Fifth, thou shalt not coddle China.

Striving for positive relations requires sticks and spinach as well as carrots. Beijing exploits weakness. It respects strength. When China violates trade rules, we should take it to court or retaliate. When it refuses visas for journalists or jams radios, we should reciprocate. When it hacks our computers we should impose

sanctions. And when it snags American businessmen, artists, academics, they should stand up. Coddling China makes for a more dangerous world.

Sixth, thou shalt nurture mutual confidence.

Distrust haunts our engagement. Washington professes to welcome China's rise while Beijing professes to welcome America's role in Asia. Neither governments nor publics are converted.

True, Americans have ample ground for wariness. But so do the Chinese.

Presidents Obama and Xi have talked but not met since reelection and selection. With no more campaigns for the President and an assured five to ten years for the Secretary, the political slate is clean. They should shed their entourages and scripts to huddle on strategic directions at Camp David, in summits and regional conclaves. Full mutual trust is a pipe dream. But such explorations would frame our multiple dialogues on economic, political and military topics to avoid miscalculation, handle differences and cultivate partnership. Over time, issue by issue cooperation can sow predictability and credence.

The most urgent area is military. While neither side seeks conflict, we could lurch into one by mishap. We need more precise rules of the road. Our ships and planes track and stalk each other. Treaty ties could suck us into Pacific sinkholes. Cyber-attacks could launch a rippling calamity. Each of us is uncertain about the other's nuclear and space doctrines.

Recently we have seen some tentative progress on this list. Our militaries are already mapping cooperation on easier issues such as piracy and joint exercises. We can build on our mutual interests in secure shipping lanes, natural disasters and protection of citizens overseas.

Seventh, thou shalt seek common ground.

The guiding principle, as always, is national self-interest.

While economic problems abound, some promising trends exist. Beijing seeks to spend more at home. Labor costs rise. The yuan appreciates. Financial controls should lessen. As China invents more, it should at last protect intellectual properties.

We, in turn, seek to spend less and invest more. In the Chinese market let us focus on competitive sectors like services. Let us press for a bilateral investment treaty. While heeding transparency and security, let us relax export controls and welcome their ventures in America.

Such give and take would shrink our trade deficit and create jobs.

The most dangerous threat of war comes from North Korea, led by the Supreme Thrower of Tantrums, the Dear Leader of Starvation, the Great Leader of Gulags. For two decades China, with some exceptions, has been more part of the problem than the solution. Its anxieties about stability and a unified, democratic Korea on its border trump its growing frustrations with the Kims. Whenever the North is pressured, Beijing discards sanctions and continues to fuel, feed and finance it. Whenever Pyongyang provokes a crisis, Beijing fatuously calls for restraint by all parties.

Some Chinese think tanks and media now challenge this policy. Perhaps the leaders are reviewing it. They must weigh their traditional preoccupations against the growing risks of conflict, the extensive build up of American and allied military assets in the region, nascent nuclear appetites in Tokyo and Seoul, the drains on the Chinese economy and world repute.

Together with our allies, we must highlight the recklessness of its Korean portfolio. Neither current allied policy nor increased pressure nor top level negotiations can have legs when China drags its feet. If we could engage a reluctant Beijing in frank discussions on Peninsula contingencies and explore redlines on reunification, troop movements, loose nuclear weapons and refugees, we might allay Chinese concerns and induce teamwork.

This is an urgent topic for Obama and Xi. After our repeated entreaties, will China finally alter its policy? I fear a comic strip ending -- Lucy will keep yanking away the football.

And make no mistake about it: if war breaks out, while the Kim Regime will be the culprit, blood will stain the enabling Chinese hands.

Whatever happens on the North Korean external threat, shame on the world if it once again shuts its eyes to an unfolding holocaust.

China is a party to negotiations with Iran, fearing alienation of Sunni regimes and spikes in energy prices due to a Persian Gulf crisis. We should keep encouraging alternative oil to compensate for Iran while leaning on Beijing to crack down on its companies that evade sanctions.

Regarding the Middle East, Central Asia and North Africa we find common cause, if not always tactics, in countering Islamic radicalism. Beijing has been generally supportive in Afghanistan. But on Syria, it hides behind Moscow to veto

intervention as in Libya. The stirrings of the Arab Spring sparked Chinese paranoia and tighter repression.

China confronts the most severe environmental crisis in history. Pollution inflicts compounding mayhem on the economy, health and quality of life as well as begetting comedic bloggers: “We are reaching a state of nirvana. In Beijing you open windows and get free cigarettes. In Shanghai you open water taps and get free pork soup.” Recently the leadership has finally realized that pollution threatens its precious economic growth and political stability. The Chinese have strong incentives to join us in producing cleaner energy and grappling with climate change.

A grand Sino-American bargain could lift our entire bilateral relationship and kick-start genuine global progress.

On some issues we already cooperate – drugs, crime, health, food safety, and UN peacekeeping. On others Beijing’s approach will not ease until it reckons the costs. Most glaring is its screening of depraved regimes, impelled by greed and the fear that international pressures on others will set precedents for China.

On this vast agenda, let us set priorities: North Korea, maritime rules, cyber warfare, the environment.

Eighth, thou shalt shape a Pacific Community.

The most important strategic thrust of Obama’s first term was to elevate Asia in our foreign policy. Misperceptions persist. It is not a pivot away from Europe. It did not begin in 2010, but in January 2009. It is not primarily military, but a mix of economics, diplomacy and just plain old showing up. It is not designed to contain China, but to embrace the entire dynamic region.

Given these misperceptions we need to convey to Beijing in word and deed that ample room exists for both of us, that together we should build a Pacific community of peace and prosperity.

This quest is made somewhat easier by the current situation in Taiwan, often a flashpoint. Thanks to enlightened policies in Taipei, Beijing and Washington, Cross-Strait conditions are the most stable in six decades. The consensus is to keep the status quo of no unification, no independence, and no use of force. Why

change the US policy so successfully pursued by Democratic and Republican Administrations? Why fix what is not broken?

Ninth, thou shalt encourage freedom.

Even the most severe critics of China's political system admit some great leaps forward from the horrors of the Mao era. Today Chinese enjoy the freedom of silence. They also can carp privately about their plights, and some petitioners and media manage to press bureaucrats and boundaries on tolerable topics. They can compete for college, choose their jobs, travel the nation and spend more money abroad than any other people.

Thanks to technology there is more wiggle room in sensitive domains. Ubiquitous cell phones and crafty computers often outwit the army of censors and surveillance whose budget exceeds that of the PLA.

With such ways and means and the steady growth in creature comforts, it is not surprising that many Chinese bask in contentment.

Yet, as always, contradictions bloom. In the world's largest Communist country the middle class so far is co-opted, while it is the peasants and workers who protest.

On human dignity, China is ruled not by law but by a cruelty that secretes the fates of massacred youth; presumes guilt, not innocence, in the Party-run courts; confines, rather than celebrates, Nobel Prize winners, world class artists, blind whistleblowers and their kin; impounds citizens without charge or notice; kills female babies; drives monks and nuns to robe themselves in flames.

This issue must be on our agenda. Promoting freedom and human rights reflects our values and international standards. It marshals Congressional and public support for overall policy. It heartens Chinese reformers. It serves our direct national interests because democracies do not war with each other, foster terrorism, cover up disasters, or spawn refugees.

Even so, this subject cannot dominate a relationship brimming with security, diplomatic and economic imperatives. Only the Chinese themselves can erect a more open, humane and liberal political system. Thus we must, as always, appeal to Beijing's self-interest: Without the rule of law, free media, a thriving civil society and accountable officials, the future will be stormy. The economy will

distort and inhibit. Corruption will wax, schools crumble, miners suffocate, trains crash, babies sicken and pigs float. The people will take to the streets. Taiwan will keep its distance. The United States will hedge. China will not earn global respect or realize its dreams.

Is this sound analysis or merely a balmy projection of democracy's virtues? Can Beijing continue to defy history?

Increasingly some Chinese scholars and netizens champion political reform. Certain leaders pay lip service to the objective, but it must stay strictly within the Party.

I do believe a more open society will emerge, impelled by universal aspirations, self-interest, a rising middle class, the return of students, and social media. No one can predict the pace or the contours of the process. We might as well consult fortune cookies.

Finally, thou shalt get thine own house in order.

The last shall be first: this is the most vital commitment for all our foreign policy. Boosting growth, slashing debt, reforming immigration, investing in the future are keys to American credibility and competitiveness. How can we promote our political principles abroad when we malign them at home? It is harder to criticize the Chinese model when Beijing builds airports faster than the Big Apple plugs potholes.

I am, of course, not drawing direct parallels between our systems. There you have the fleecing of liberty. Here you have the failure of nerve. There the police are hooligans. Here the politicians are holograms. The world, including the children and cash of Chinese Princelings, wants to come to America.

But craven legislators and manic media, pandering and polarizing shackle our nation. Let us hope that our leaders will soon cross aisles not swords, the media will instruct not inflame, and Americans will once more embark on bold and common enterprises.

Given our current political impasse, economic angst and mood of melancholy, optimists are rare. But our assets remain unrivaled, and across this nation coalitions, ignoring the Washington debacle, explore new frontiers and sculpt an American renaissance.

From de Tocqueville to Lee Kuan Yew foreign observers have marveled at our ability to overcome trials, fix faults, revive the body politic and refresh America's soul.

For we have seen this drama before. Sputnik and the missile gap. Vietnam, assassinations, riots and Watergate. Hostages, energy crisis and malaise. Japan number one, Rockefeller Center and Pebble Beach. Crumbling towers.

I recall the late sixties as if it were yesterday. This country was in the most dire straits, whiplashed by domestic turmoil, mired in a foreign quagmire, and wrestling with a nuclear superpower. America, as always, rebounded. Out of trials we derive strength. Now our uniquely immigrant society should flourish in a shrunken world, its fabric much sturdier thanks to movement on the bus and shattered ceilings and the new look of schoolrooms, barracks, stadiums, studios, rotundas, sanctums, Foggy Bottom, and the White House.

What about China? How will it look?" If Nancy Tucker were here, she would, I believe, summon Lord Tennyson:

“Far away beyond her myriad coming changes,
China will be
Something other than the wildest modern guess
Of you and me.”

My own wildest guess – and hope – is that in our long march, as China frees its stride and America lifts its horizons, we will scale walls and open doors.

Thanks to our friend Nancy for this stellar audience.