



C A R N E G I E E N D O W M E N T
for International Peace

CHINA'S PEACFUL RISE?

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PANEL III: CHINA'S RISE: CHALLENGES FOR AMERICAN PRIMACY
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INTERNATIONAL PEACE;

SPEAKERS:

STAPLETON ROY, FORMER U. S. AMBASSADOR TO CHINA,
RUAN ZONG-ZE, CHINA INSTITUTE OF INTERNATIONAL STUDIES;
ROBERT KAGAN, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

MR. SWAINE: Good afternoon. My name is Michael Swaine, I'm a senior associate at the Carnegie Endowment, and it's my distinct pleasure to be moderating this panel this afternoon, which focuses on the issue of China's rise and its implications or challenges for American primacy. And here I think what we do is really get down to the nitty-gritty from the issues that were raised in the broader sweep yesterday into the discussions between Zbig Brzezinski and John Mearsheimer to talk specifically about questions of U.S. and Chinese relations and how they might evolve in the future in their implications for the whole question of the stability of China's rise and the issue of cooperation versus tension, confrontation, et cetera. And to discuss these issues, we have three really excellent observers of these issues, and I will introduce them individually as they come up and make their remarks.

The first speaker is Ambassador J. Stapleton Roy. Ambassador Roy retired from the Foreign Service of the United States in January 2001 after a career that spanned 45 years with the U.S. Department of State. Among his many, many achievements, Ambassador Roy rose to become a three-time ambassador serving as the top U.S. envoy in Singapore in the People's Republic of China and in Indonesia. In 1996, Ambassador Roy was promoted to the rank of Career Ambassador, the highest rank in the United States Foreign Service. His final post was with the State Department as Assistant Secretary for Intelligence and Research. After retirement from the U.S. government,

Ambassador Roy joined Kissinger Associates as managing director. So it's my great privilege to introduce Stape Roy, and he will speak on the question of "Bilateral Strategic Interests -- Diverging or Converging?" Stape.

MR. ROY: Good afternoon. If I were an expert on Peru, you can be certain that I'd begin my remarks by saying, "Peru seems destined to present the United States with its preeminent 21st century foreign policy challenge." But I'm not an expert on Peru, so I will apply the statement to China. And in the case of China, I think it applies. The problem is that no one, not even the Chinese, knows what kind of a China we can expect in the future. The Chinese have no experience in the modern era of enjoying the wealth and power that they are rapidly acquiring. History provides clear warnings that rising powers tend to destabilize their regions and potentially even the global balance. The Chinese have recognized these concerns and have advanced the concept of "peaceful rise" to address them.

This doctrine amounts to an affirmation that China intends to avoid the mistakes made by other rising powers, particularly Japan. But the doctrine is controversial within China. To some Chinese and to some outside observers, the doctrine seems incompatible with China's determination to use force, if necessary, to prevent Taiwan independence. However, the fact that the concept has been put forward is a positive sign that at least some Chinese recognize the pitfalls ahead.

The Chinese themselves are quick to reject the possibility that they will become more assertive and hegemonic as they acquire wealth and power. In their own minds, they wish to become strong in order to protect themselves against exploitation by other powers, as has happened in their history, and not so that they can dominate others. But as China's power grows, so will its range of options. Like the United States, China will be vulnerable to the intoxicating aspects of power that manifest themselves in the tendency to inflate goals and aims imprudently and to display less sensitivity for the interests and concerns of others. However, unlike the United States, China must share its region with other major powers, such as Japan and the United States, that will act as restraints on any delusions of grandeur that might emerge.

As in the case of most countries, the main factors determining what China will become in the future will be domestic developments inside China. These include such issues as:

- the success or failure of China's economic policies;
- the quality of China's leadership;
- the skill and timing with which political reforms are introduced;
- whether the central government can maintain control over the regions;
- the nature of the measures adopted to preserve stability, and the success of those measures;
- and last, but not least by any means, whether nationalism takes the form of patriotism or jingoism.

Nevertheless, China's external environment will influence these domestic developments in potentially fundamental ways, especially the form that Chinese nationalism will take. The stakes are enormous. It's difficult to imagine a stable and mutually beneficial East Asian situation in which the United States and China are at dagger points with each other. Conversely, a constructive U.S.-China relationship could form the basis for a prosperous and peaceful Asia Pacific region.

What are some of the factors that are relevant to China's rise? We might begin by considering the types of policy challenges that we will face in seeking to bring about an environment of peace and stability in East Asia. A list might include the following:

- First, formulating and adopting policies that maximize the likelihood that the rise of China will not destabilize the region.
- Second, fostering a role for Japan that is compatible with regional balance.
- Third, preventing developments on Taiwan from precipitating a dangerous crisis.
- Fourth, seeking to strengthen Southeast Asian cohesion as a counterbalance to the more powerful countries in Northern Asia.
- Fifth, adopting an approach to regional security that maximizes the willingness of East Asian countries to see us as an essential factor in preserving regional stability.
- And sixth, deciding on the right balance between collective security arrangements and defense arrangements.

Let me expand on this last point. A characteristic of East Asia left over from the Cold War is the existence of U.S. defense arrangements with various countries. Now defense arrangements, by their nature, posit a threat, whereas collective security arrangements are aimed at preventing threats from emerging. So we need to consider what the proper balance should be between defense arrangements and collective security arrangements in order to manage the changes that are taking place in East Asia.

Aside from this, a noteworthy point about all the policy considerations cited above is that China is an important factor in each one. Clearly, then, the changes that are taking place in China are posing enormous challenges for the United States and for the countries of East Asia, as well as for China itself.

Fortunately, most of these challenges are down the road a bit, meaning that we have time to get our act together. China's leaders recognize that China still is relative weak, and they have given top priority to preserving a peaceful environment for economic development extending at least through the first two decades of the 21st century. This has also manifested itself in the priority Chinese leaders have attached to maintaining a stable relationship with the United States.

In effect, this provides a window of opportunity for the United States to develop a strategy for the region that will maximize prospects for preventing China's rise from destabilizing the region – not preventing the rise itself. China has a right to rise the way every other country has a right to rise, but no country has a right to trample on the interests of other countries. And so that's the issue we need to focus on.

We should use the time wisely, because trends have already emerged that if left unaddressed will weaken U.S. influence in the region. Among these trends are the following:

- First, Beijing has been remarkably successful over the last few years in defusing Asian concerns about an emerging China threat.
- Second, Asians fear that the United States will act unilaterally, and this has affected their view of the U.S. security role in the region.
- Third, pan-Asian institutions have emerged that treat the United States as an outsider.
- Fourth, there has been a reorientation of the Korean Peninsula toward China.

All of these trends are highly relevant to U.S strategy in Asia.

In addition, with the end of the Cold War, two other issues needs our attention: these are the absence of a common threat perception in East Asia, and the erosion of the consensus on the role that the United States should play in regional security. In a way, the United States is contributing to this problem, because of our preoccupation with Islamic terrorism. Even when this threat is recognized as a real factor by other Asian countries, it does not have the priority in their foreign policy calculations that we assign it in ours. Uncertainty over whether we will act unilaterally or collectively has also lessened confidence in East Asia in our security role. This has been most notable in South Korea, where significant elements see the potential of unilateral U.S. action as a greater threat than the possibility of unilateral North Korean action. The tendency of Sino-U.S. relations to swing back and forth between cooperation and confrontation is also upsetting for countries that must live permanently in China's shadow. Finally, as shown by an Asia Foundation study this year, in both Northeast Asia and Southeast Asia, there is a perception that the United States lacks a strategy for the region, even while we continue to play a very important current role.

These considerations argue for the need for a two-pronged strategy. Our primary objective clearly should be to maximize prospects for integrating a stronger and more prosperous China into a stable and peaceful East Asian order. But, at the same time, we need to manage our relationships throughout the region in a manner that will give us decent options in the event that China were to become a threatening power. To manage these longer-term challenges, it is essential for the United States to deal effectively with two immediate problems – the Taiwan issue and the North Korean nuclear problem – that are of central importance to Sino-U.S. relations.

In the case of Taiwan, the most urgent need is to restabilize the issue in U.S.-China relations. With Chen Shui-bian's reelection in Taiwan, we face the prospect of dealing with a leadership that will constantly try to enhance prospects for independence, not in a wild, irrational way perhaps, but in ways that will be viewed by Beijing as forcing it to take countermeasures. So it is probable that this will be a constant source of tension in cross-strait relations.

The second aspect that needs attention is the trend toward militarization of the issue. On the Chinese side, this is marked by PLA deployments and training aimed at preparing for Taiwan contingencies. On the U.S. side, we see escalating arms sales combined with closer cooperation between the U.S. and Taiwan defense establishments. To a disturbing degree, this pattern seems driven less by policy considerations than by parochial interests on each side. Not surprisingly, this situation is convincing pessimists throughout the region that confrontation is simply a question of time, despite the disaster this would represent for all parties. Stabilizing this situation and reversing this upward military spiral should be a top priority for both sides.

It is perfectly legitimate, of course, to consider whether China's growing power will ultimately cause Beijing to opt for a military solution. One cannot rule that out, but this would represent a departure from Beijing's current policy of seeking to block independence for Taiwan while offering Taiwan a status of near-total autonomy that would effectively deny the island to China as a power projection platform. A good case can be made that China's fourth-generation leaders are not likely to see a resort to military coercion against Taiwan as a realistic strategy for an extended period of time unless they are forced to take action because of what they see as an irreversible tendency toward independence. Their goals, on the contrary, will be twofold – to contain independence tendencies and to build up China's economy. Both of these goals are furthered by good relations with the United States as long as U.S. policy is also helping to contain the Taiwan issue.

At the same time, we must recognize that as China gets stronger, PLA capabilities against Taiwan will also get stronger. As a result, drawing distinctions between intentions and capabilities will become increasingly more difficult. Good policy, therefore, should seek to reestablish a framework for managing the issue that is less subject to fits and starts. This would involve at least three components: a return by Beijing to an avoidance of overt military moves aimed at preparing for Taiwan contingencies; U.S. behavior that alleviates Beijing's worries about our intentions, including restraint on arms sales; and a Taiwan strong enough so it cannot be easily overwhelmed as a deterrent to miscalculations by the mainland.

Let me turn to Korea. How compatible are the interests of China and the United States on the Korean Peninsula? The answer is that in the near term our interests are very compatible in that we share a common desire to see a de-nuclearized Korean Peninsula. But from a longer-term standpoint, there are significant differences in our interests. For example, some strategists in the United States would like to be able to use U.S. bases in Korea for power projection roles outside of the Korean Peninsula. China for its part would undoubtedly be strongly opposed to any use of U.S. bases in Korea in ways that would be inimical to Chinese interests. At the same time, both China and the United States share an interest in seeing Northeast Asia become a zone of peace and stability. So the fundamental question is whether the current compatibility of our short-term interests can provide a basis for finding a way to reconcile potential longer-term differences in our strategic views on the region. This is a challenge for our policy. The question also needs

to be addressed as to whether Northeast Asian collective security arrangements could contribute to such an outcome.

Because of time limitations, I will skip over some other considerations and simply wind up by saying that there is nothing inevitable about the sort of China that will emerge from China's current period of rampant growth. If we assume that China will become a hostile power, it could become a self-fulfilling prophecy. But if we assume that wise and skillful diplomacy can maximize the likelihood the United States can maintain friendly and constructive relations with a stronger and more prosperous China, then we can help to make it happen. Thank you.

(Applause.)

MR. SWAINE: Thank you very much, Stape. Well, in observance of John Thornton's recommendations about the makeup of panels discussing questions centrally involved in China, we very much wanted to include -- and have included today -- an excellent observer from China of the U.S.-China situation and of U.S. foreign policy, in particular. Ruan Zongze is vice president and senior research fellow at the China Institute of International Studies, a major international affairs research institute under the Ministry of Foreign Affairs in Beijing. After graduating from Sichuan Institute of Foreign Languages in Renmin University of China, he joined the American Studies division of the Institute in 1988 and later became deputy director of the Division of World Politics there. In 1992 he was a visiting research fellow at the School of Oriental and African Studies at the University of London, and in 1996 he was assigned to the Chinese Embassy in London. He has written widely on the question of U.S. foreign policy, great power relations, and international security. He is the author of three books the most recent of which is entitled "The Third Way and New Britain." It was published in November of 2001, and his subject is to discuss "Behind China's Goal of Peaceful Rise -- A Beijing Perspective." Mr. Ruan.

MR. RUAN: Thank you very much. Thank you for your kind introduction. First of all, let me say how grateful I am to be here, and I would like to thank Carnegie's kind invitation so make it possible for me to speak in front of such a distinguished gathering of powerful minds here.

It is very often said, "There is no free lunch." I already had a couple of free lunches since I came here a couple of days ago. So I have to transform myself from a consumer to a producer, at least for the next one hour or so.

The question here, I find it very tough to answer, and I think -- let me put it into a very simple way, actually, this section dealing with whether China going to challenge American supremacy. This is a very simple and a profound question. My answer is very straightforward -- definitely not.

Here, I have a PowerPoint to explain my point of view. At the very beginning, I am a little bit hesitant to say "A perspective from Beijing." Probably I'd better to say "A

Perspective from Sichuan," because I'm originally from Sichuan, you can tell. And so the main points -- why is it become a hot topic -- peaceful rise or peaceful development or peaceful rejuvenation or whatever? And essentially I will talk about what is the Chinese foreign policy. Then I will touch the third one; that is, what the possible impact for Sino-U.S. relations. Let me deal with the first one.

I have to say that for us we have already heard a lot of China threats in various forms. So basically China threats prompted Chinese thinkers to think ahead and to think hard -- why does it happen? What's the significant impact on China? Or whatsoever -- we have to think it. I think it's fair to say the Chinese spectacular economic growth, particularly from the very beginning of the nineties made the so-called "impossible mission" achievable than ever. And because when you talk about China's development, it may sound impossible -- it may sound very far away business, but now I think I find more and more people seem to understand it may be achievable. And in China we use different phrase and words to paraphrase the meaning. For example, "rejuvenation," and the topic here is for a rise or a peaceful development. For me, they are referring to the same thing. So here I use "PD" for development. We have noted that during the last two days discussing, people usually get allergic to the word of "rise" because it is suggestive that you may break the status quo or break the balance of power or you'll be a more or less unstabilized element for that. So if I use the word "development" it may sound more familiar.

It is suggested why we use that phrase or frequently we talk about peaceful development. I think it, at least, has some understatement. First of all, we are well aware of what is happening in the history, particularly when you look at the great power relations of that in the last couple of hundred years. Usually, a rising power may challenge the existing ones, so this will result in a sort of a conflict. Secondly, I think, in any case, China will do whatever it can to ensure our development will be peaceful. And, thirdly, I think it also sends a very clear message to the outside world, "You've got to help China to achieve such kind of ultimate goal, because it benefits not only for China but also for the rest of the world." All together, making and a civilized nation has been designated as China's ultimate goal of peaceful development.

Of course, here we have to come to the point how to define the timeframe, and many people say, "Well, 2020," or 2010 or 2050 -- whatever. But I think, for us, we tend to look at a much longer timeframe. We were told very often that -- by the Chinese leader that China now is still in the very early stage of development. It will take several decades, generations, for us to reach our goal. That is to say, to have our relatively strong or prosperous China and you may be aware of that -- China is a vast country with a vast population and daunting problems as we already listened this morning that the environment issues and resources issues and the many issues we have. So I think, with respect to this, I think China's development, or China's rise, certainly will go a way with the Chinese characteristic. So we should understand or look at China's development in a different way. When I say "different" it means the issue is different from the traditional rising power's past, and certainly it will have a very strong color of Chinese.

What are the foreign policies accordingly? We have noted that China will have no alternative, no third way, to seek a peaceful global environment to develop our economy. Such kind of strategy is not temporary. It is a long-term strategy. As I mentioned before that, we need several generations, even decades of generations, to develop China. So if we put 30 years as a generation, so 10 generations will be 300 years. So it is a long-term perspective, so not definitely, temporarily or technical one, as some observers were often cited. And, of course, this gives China a very good opportunity to promote a good, lively, diplomatic relations with neighbors.

I have to say here, and I'd like to make a very brief comparison. China's neighboring situation and America's neighboring situation are very -- I am a little bit jealous about America's geopolitics, because it has two oceans -- vast oceans to protect it, and it has two neighbors. But, of course, there is some also a perspective, for example, from Mexico, probably for them, at least, too close to the United States, too far away from the God. But the situation here in China is much more complicated. I will argue that. China sharing the most -- China is a country who has the most neighboring countries. We have direct or indirect nearly 30 neighboring countries. Of course, we have problems. We have disputes, basically -- territory disputes, for example, with both Soviet Union and with India and these are the legacies of the history. But I think we need to look at this situation from a new perspective. The new perspective is that we turn to look at this -- it's not a burden of China but an asset. It will give us a very good additional asset to -- for developing a closer, more cooperative relation with them. So that's why we put forward the approach; that is, to be -- we are pursuing a road of being a good neighbor and a good partner.

China -- as you already observed that have already become a driving force for the flourishing of corporations in this region. China is very actively participating in the international affairs in Southeast and Northeast Asia. Now we are part of the 10-plus-1 process. Now there is also many discussions underway; that is to say, in the future, that will be East Asia community, but one of the issues should be tackled before the East Asia community can be realized, is to combine the different 10-plus-1 -- actually three -- together. Now, this 10-plus-1 is a parallel; that is, ASEAN plus China, ASEAN plus South Korea, ASEAN plus Japan. So on this, all three, they are integrated together so we can have an East Asia community.

In the north, we have seen China is working very hard to forge a close tie with our neighbors in this area; that I think SCO, Shanghai Cooperation Organization, is a very vivid demonstration of such kind of policy. And if you remember China's relations with Russia, you can tell how big the transformation that already came. China went to war with Russia, unfortunately, during the Cold War time. We share -- let's say today's Russia -- we share 4,300 kilometers common border. Can you imagine that? But we try to manage to settle almost all of that. That is the great success. And it is very the success -- can be -- I think China's good neighbor diplomacy should deserve some credit for that. And, therefore, we have to say China's position today is much better than it used to be, particularly if you compare it to what is happening during the Cold War.

Now, what about China's relations with other great powers? I will say China will remind regional power in the foreseeable future. I think that you can argue that -- my point of view is we should be very realistic. We understand how many problems we have. We understand how much resources and the time, which should be devoted to solving all these problems. And the other point I'd like to make is that a stronger and a more prosperous China will be more accommodative, and these can be seen from various cases. Today's China is more connected with the outside world than ever before. During the cultural revolution, China was very isolated, but since the very end of 1970, China opening up, we want to learn what is happening beyond our doors, and in this context, China's development tend to increase enormous economic, political, and a social space for others to occupy, rather than a zero sum game.

I think there are at least a couple of things that can be mentioned here to see why China, in my point of view, can achieve its peaceful development. I think one of the fundamental points is that today's world is very different from what the world in the past, as I mentioned, we are in a globalized world. The significance is enormous. I find that very often we do not precisely understand how the globalization put its impact on the conduct or the behavior of countries or to international relations. The second point is today we have established international system and norms which have been disciplining major powers in an unprecedented way. China is no exception, which makes it quite different from the essence of other powers in the history. We have to bear in mind this -- will China becomes a challenger of the United States' supremacy. As I said at the very beginning of my talk, the answer is straightforward -- no.

Today when you look at the Chinese literature on recent international relations, one of the very frequently used phrases is "United States is the sole super power." Well, I think this speaks volumes. Why? Because it underlined that we recognize there is only one super power in this world, which this is very important for us to look at today's international relations and relations among different states. And so for China we should learn to cope with such kinds of reality. It is hard, but we've got no alternative.

And another observation, which I find it's very interesting that after the Cold War United States certainly becomes a sole super power without stopping China's development. In the past 25 years, China has enjoyed robust growth development without stopping United States becoming a sole super power. So is this a zero sum game? And another point here I should address is China today is not going to challenge the world's order. China used to be the outsider of the world system, but today we are part of it. We've become an insider of this system, the world system. China has tried very hard to joining this world system. So we will say China will play a more constructive role within the current international system.

Of course, by having said that, I don't mean we will definitely realize our dream without major obstacles -- just on the contrary, we are very clear, we are well aware of what those problems, what those constraints we may have. I think China, to develop or not, one of the very important things depends on what sort of road, what sort of model we choose to develop. So whether we can develop a sort of balanced or coordinated relation

between urban and rural areas, coastal area and the hinterlands area, and the social and also the environment and so and so -- I think some of these questions already cause the attentions of Chinese leaders. That's why very recently we have seen quite a few catch phrases like "scientific development concept," and like "green GDP," which we will distance ourselves from the past model of development; that is to say, we just narrowly focus on the growth of GDP. Instead, now we have to take account of what sort of environment damage and other ecological damage in order to achieve such kind of economy.

And the other also important is that we should notice -- very often people say "China cannot go on -- such kind of economic growth cannot go on without political reform." To some extent I agree, but I disagree with the point that China has done nothing about political reform whatsoever.

Let me just give you three points. The first one, I think, is this government has attached great importance to the group decision-making system and any big decision taken before issue comes out with experts and professionals. A second thing: It's prompted the government to administrate the country in the line of the law. Thirdly, to put government under scrutiny, I think, all this is very important.

I have to say, I must mention another restraint or another risk element -- that is the Taiwan issue. It may derail China's strategy of peaceful development. But this issue is not -- let me put it this way -- China, no matter China is strong or weak, we just don't want to see Taiwan separate from the mainland. We want it back -- no more, no less.

My conclusion: China can obtain resources through market by more cooperation, so instead of expansion. China's development today has already offered or spillover enormous opportunity for others. And, finally, last but not least, I think it's very important, it's also to remember that today China's development is with the tide of the development and the peaceful ascent of Asia. What does it mean? It means China will grow along with the growth of Asia. We can't just grow by ourselves at the expense of others, particularly our neighboring countries. Thank you very much.

(Applause.)

MR. SWAINE: Thank you very much, Professor Ruan. Well, in case you are now becoming far too optimistic about the prospects for U.S.-China cooperation, we've asked Bob Kagan to offer his views. As you know, Bob is a leading thinker on U.S. foreign policy. From what, I think, many view as a conservative or neo-conservative perspective and without anticipating Bob's views, he is going to assess the question of whether accommodation is or is not possible. Bob Kagan is a senior associate at the Carnegie Endowment. His most recent book is a "New York Times" bestseller of "Paradise and Power." He also writes a monthly column on world affairs for "The Washington Post" and is a contributing editor of both "The Weekly Standard" and "The New Republic." Bob served in the State Department from 1984 to 1988 as a member of the policy planning staff, as principal speechwriter for Secretary of State George Shultz,

and as deputy for policy in the Bureau of Inter-American Affairs. So Bob has that excellent combination of both theoretical and conceptual expertise and practical experience in government. And, as I say, Bob is going to give us his views on U.S. leadership and Chinese aspirations -- is accommodation possible? Bob.

MR. KAGAN: Thank you, Michael, and it's a pleasure to be here. I didn't get the word from the neo-conservative director as to what my position should be today, so my views today represent myself, not necessarily the neo-conservative position.

By the way, I would like to put myself down as being cautiously optimistic that relations between the United States and China can continue along a peaceful track for some time to come. I can imagine many scenarios, probably more scenarios where that is the case than those scenarios where we come into conflict with one another.

There is a serious question, however, that I think one can look at from historical perspective. If, in fact, China is a rising power in the sense that its economic and military capabilities are growing, you can look back through history at other occasions when there have been rising powers of a similar nature, and I think you'd have to say that on that basis the question of whether the existing power structure can accommodate that rise, it has been frequently the case that the existing power structure has not successfully accommodated that rise. I think one can think back on at least three examples of rising powers over the past century or so. There is the case of Japan, obviously, at the end of the 19th century and into the 20th century, and well, and then there is the case of the United States, which was a rising power at the end of the 19th century which, depending on your perspective, I suppose, did end well, certainly from Britain's perspective. And as you think about the three cases, there were three sort of different strategies that were applied.

If you think about the rise of Japan, I think it's worth noting that the United States, at least, as well as Great Britain, which made up a considerable amount of the power in the world in those days, was quite accommodating to Japan for quite some time. In fact, the United States was quite fond of Japan in a kind of paternalistic way at the end of the 19th century but certainly favored Japan in the war against Russia, certainly favored Japan's rise, and that accommodation went right up until the point where the United States and Japan, in fact, came into quite serious conflict, and we all know how that ended. Germany was a case where I think a relative effort was made to contain the rise of Germany at the end of the 19th century. Some might argue that Britain came late to this idea of containment; some have argued that Britain tried to contain it too much. But, in any case, that containment strategy did not ultimately succeed, either for lack of application or for excessive application.

In the case of the U.S., if you look at from the point of view of Britain, the British strategy at the end of the 19th century was total accommodation and, in fact, withdrawal. The British decided, as a result of their own difficult -- strategic difficulties elsewhere in the world, simply to let the United States have the Western Hemisphere and to pull down its own significant structure.

Whether any or all of these or none of these models is applicable to the current situation, I will leave maybe for some closing comments, but I do think that, you know, it's got to be one of these things, in a way. And whether the United States can successfully accommodate, using the title of this panel, is going to depend on a number of different factors.

Now, it seems to me, it's also worth think about China as a rising power and, again, the country I know best is not China. I'm not a China expert, I just play one on TV, but I read a lot of China experts. But the United States, a country that I know somewhat better, itself behaved as a classic rising power at the end of the 19th century with all kinds of prickly defensive aggressiveness that rising powers normally have. The United States, at the end of the 19th century, convinced itself that it was, in fact, surrounded and constrained by British power, by Spanish power, and that there was sort of intolerable constraints around what the United States considered to be its role in the world, and if you asked what motivated the U.S. rise, you know, was elements of pride, honor, feelings of insecurity, feelings of what its own just position in the world should be, and also a matter of ideology in the sense that believing that it had a message to spread, at least within the Western hemisphere and in parts of Asia.

I think it would be highly unusual historically to imagine that China, the latest rising power, would not harbor certain ambitions for how it should be treated in the world and what position it should hold within the international security system. It would be, in fact, abnormal. Now, it's possible, as my colleague on this panel just said, that the world is brand-new, China recognizes that the world is brand-new, and that these old ways of behaving and feeling about oneself as a nation no longer apply. I mean, that really does get to the fundamental question of what kind of China are we dealing with but, I must say, as a historian, I would say it would certainly be understandable were China to look around itself as it grew stronger and decide that the current configuration of things is not exactly the way China would like it to be. After all, China was not, sort of, invited in to set up the current strategic situation and structures that currently exist in East Asia. Those structures are very much an American creation in response, first, to World War II and then to the Cold War. It is certainly a system that was set up to meet American needs and the needs of America's allies and certainly not China's needs. So, it seemed to me that, at the very least, China would be forgiven for wishing to see a structure that was created without its permission, without its involvement, and reflecting the needs of others -- would like to see that structure somehow reflect its own needs and its own desires more clearly.

Now, the only problem comes with if it is true that China would like to see a different arrangement in East Asia, at least at some point, and I suppose the question is how soon it would like to see that change, is there a way for the United States to accommodate that desire while not undermining its own fundamental interests or its perception of its interest. I think that is a question that I will leave out there, but it does seem to me at least problematic. I don't want to suggest that there is a zero-sum game in East Asia, but if China would like to revise the system as it's currently configured, there

is going to be some element of what you might call "the British policy" on the part of the United States, it would have to be one of withdrawal in allowing China to play a dominant and hegemonic role in its region, and I don't know if we are either capable or desirous of doing that, or whether we should, in fact, do that.

There is also, in addition to what it seems to me a fundamental clashing interest along those lines, there is an ideological problem. I think it mattered a great deal in pursuing the British policy at the end of the 19th century that there was a very strong common bond of ideology and, by the way, what was very much trumpeted in those days -- a racial bond. Anglo-Saxonism was in vogue in the 1890s, and I think it made it a good deal easier for the British to decide that they could pull out of a region where they had been very strong at one time in order to accommodate the rise of American power.

Whether it will be so easy for the United States and China to see such -- see the world in such similar fashion from an ideological point of view, I think, is somewhat questionable. Now, I would say that's true even if, as it certainly seems to be the case, we are in a post-Communist phase in China. I do think that any dictatorship, as currently exists, or any kind of authoritarian government or whatever phrase you want to use generally finds itself somewhat threatened by the United States and its Western allies, just as I think, you know, ultimately, if not already, Russia's government finds itself somewhat threatened and under criticism from the United States, and it makes it all the more difficult to work out the underlying strategic issues that may exist.

Now, a lot of this, again, gets back to the question, really, of which China, what is the China that we're talking about? I've spent most of the last few years thinking about U.S.-European relations, and one of my favorite thinkers on the subject is a man named Robert Cooper, who works for the European Union but has written a very interesting series of essays and books in which he describes -- he sort of breaks the world down into post-modern, modern, and pre-modern. I won't trouble us with the pre-modern world at this moment, but by the post-modern world he means essentially Europe. And the postmodern world is characterized by what I think you meant when you talked about globalization; it's a world in which military force is not a factor and international relations, territorial interests, are set aside, and people mostly think about economics and trade and methods of dealing with one another that have nothing to do with the traditional when you think back, let's say, to the 19th and early 20th century attitudes towards military force and territorial gain and things like that. The modern world, in Cooper's view, is much more like -- behaves much more like that of the traditional power politics era that preceded -- that existed during the Cold War and before, and he, by the way, puts America in the "modern" category, and I'm sure he would put China and those with China as well in the "modern" category.

But, to me, it seems to me, a very critical question -- if China is essentially emulating the European model and is going to put all its efforts into economic growth and prosperity and eschewing the kind of traditional power politics concerns that have motivated nations throughout history then we, obviously, should not have a difficult problem accommodating China's rise if it is going to be in a post-modern sense. But if

China has got stronger elements of, let's say, a 19th century worldview of its -- the purpose of power of what it means to rise -- then, obviously, we have a very different kind of situation altogether, and I believe accommodation gets a great deal harder.

Now, it seems to me, I think it's probably fair to say -- and this is the optimistic part of me -- is that China is, in fact, in some sense struggling between these two; that there is a kind of race between the post-modern worldview, which I think was very well expressed by my colleague on the panel here, and which you can see expressed by many other Chinese officials and others, that the new kind of power is not about territory, it's not about military power, it's really about economics. Is that going to be the dominant force or is there this -- but there is, obviously, this other element, which I would say is a very atavistic quality that the Chinese have -- a very 19th century view of the world, in fact, the view that is rooted in things that happened in the 19th century and this, obviously, brings us to the question of Taiwan, and it seems to me the Chinese behavior on Taiwan is sort of the test of which of these approaches to the world China is going to take, because the claim on Taiwan is very much of a 19th century quality. Obviously, China is seeking to undo injustices that were perpetrated -- that, in their view, were perpetrated on China -- reasonably so, perceived that way -- in the 19th century, and that part of China becoming China is to undo these things, but it still is very much a 19th century approach.

A post-modern approach to Taiwan would be to say, "Let Taiwan flourish. Let Taiwan be whatever it wants to be. We'll trade with it, we'll all be part of the same globalized economy, and let's move on from there, because what possible interest could we have in needing to take a place like Taiwan by force?" But, of course, as we all know, this is a neuralgic issue for China. It's a nationalist and patriotic issue, et cetera, et cetera, but I think we should recognize that is the 19th century element in Chinese life. I mean, after all, Germany has a claim on Alsace. I was in -- I had the good fortune to be in Alsace a year ago. Everybody there is named Schmidt, they drink Riesling, they eat things like flammekuche, I mean, you know, it's a very dramatic territory. The Germans are not feeling that in order to make themselves the German nation, they must re-acquire Alsace. The fact is, China obviously does feel that it must re-acquire Taiwan.

So I will conclude by saying that, of course, Taiwan is the great problem in all of this, and Taiwan is where China's atavistic, 19th century, modern sense and style of foreign policy comes out, and it is precisely where the United States and China can get into a very serious conflict. It used to be that the neo-cons spent all their time warning about China, the conflict with China, but now I find that it's the China experts who spend all their time warning about coming conflicts with China, not Stape, perhaps, but Michael and Tom Christianson and others who have grown increasingly alarmed about the prospect of a war with China, over the issue of Taiwan.

I don't have enough time, I don't want to go on, I know there's a lot of questions about how ought we to address the Taiwan issue, but I think that we certainly need to recognize that the problem is not as simple as saying, "If we can just keep Taiwan from declaring independence we'll all be out of the woods." Or that if the United States

promises it won't defend Taiwan if it declares independence; that it will defend Taiwan if it doesn't declare independence. Clearly, the game is about what is occurring in Taiwan short of independence. And the real question mark out there, my personal question, is will China be tolerant of a Taiwan that is not moving in the right direction? Set aside China, Taiwan declaring independence, which I don't think is likely, but how tolerant will the 19th century China be in allowing Taiwan to continue along the path that it's currently on of not moving toward independence and the great battle, and, in a way, the great decision of history will be whether the 19th century forces or the post-modern forces in China win out over the question of Taiwan.

Now, it seems to me there are some things that the United States can do to increase the possibility that the post-modern forces of China, such as they are, win out. I would say making it highly implausible for China to succeed in any kind of attack on Taiwan is a way of strengthening post-modern forces in China, who will be able to argue that this is just a bad bet, and that the more the United States expresses uncertainty and displays uncertainty about whether it would defend Taiwan, the more we, in fact, encourage the 19th century element of the Chinese character.

So with that I will leave it, and we can move onto our heated debate. Thanks.

(Applause.)

MR. SWAINE: Thank you very much, Bob. We have about 45 minutes which, in fact, we can engage in heated debate, if that's what people desire, or just questions and answers of one sort or another. So why don't we start at the front with Martin and move around the room.

Q I've been struck by the remarkable absence of a serious discussion of America's objectives in the immediate to long term. The basic characteristic of a strategic situation of last century, the U.S. economy has been twice as big as that of any other country. China clearly threatens to change that, within a measurable period of time. Thus, making the goal of overwhelming strategic dominance much harder to achieve and sustain. What is that going to mean for the United States? And how do you think the U.S. will in fact respond to that situation?

MR. SWAINE: Does anybody want to try that?

MR. ROY: Sure, I'll begin. I don't think a goal of permanent strategic predominance is a realistic strategy. It's a strategy for uniting the rest of the world against you. So you can pursue it until you discover that the negative aspects of it outweigh the cost and benefits that you incur in trying to pursue it. I think in the current position the United States finds itself, that seems like an attractive option, but if you know world history, you recognize that that's not a good strategy. Rather, the strategy in the United States should be to try to use its current position of predominance to produce a world order that is compatible with prosperity, peace, and the fundamental interests of the United States, which don't require us to be able to run roughshod over other countries but

rather must enable us to protect ourselves from emerging threats. If trying to maintain predominance produces those threats in reaction to us, then, clearly, it's a failing strategy. I don't know of any good historical examples, and I turn it over to Professor Kagan to answer that, in which a policy of maintaining strategic predominance has proven to be a long-term viable strategy.

MR. KAGAN: Well, you know, it's been American policy to be the strongest power in the world for a good half-century. During the Clinton administration, it was the goal of American military strategy to be able to fight and win two wars at the same time, which is another way of saying to be completely dominant in a strategic sense globally. This is not an invention, hopefully, as an historian, is not an invention of the last two or three years. The question of whether it can be maintained forever, I think it's safe to say it cannot be maintained forever. I think the law, "What goes up must come down," will ultimately apply to the United States, but I really think that strategic predominance will become a kind of rhetorical straw man. The real question that I think we're dealing with today is -- what about East Asia?

Now, strategic predominance is another way of saying how do you maintain peace, prosperity, and global security if, as the strategically dominant power in East Asia, it is your role, in fact, to maintain stability? I think the general view is -- I certainly would be interested to hear a contrary view -- but in the absence of America's strategic position in East Asia, East Asia would likely revert to -- well, Aaron Friedberg famously said, you know, "Europe's past is Asia's future" -- that the possibility of East Asia becoming a kind of conflict-ridden area with one nation turning against another is very likely and, therefore, the role of American strategic predominance is not for the sake of American strategic predominance but for the sake of precisely the goals that you are talking about. So I would say it's a little flip to say we shouldn't be seeking strategic predominance, but in East Asia, that's what's keeping the peace.

Now, if there's an alternative means of keeping the peace by lessening that dominance, I'd like to hear what it is. I'm perfectly willing to hope. I like to hope, too, that the United States concede influence to China in that region and then the result will be greater security and stability or at least equal security and stability. But I wonder if everyone in the region would agree that that is the likely outcome of a reduction in American power.

MR. RUAN: Can I just say a few words on that? And I think it's a -- one of my friends tell me about it's difficult to live in the current world because we look into the current world, you have to always cite the historical perspective to look at it, but sometimes we fail to recognize how profoundly this world has been changed with regard to more specifically about the United States predominance in East Asia. Actually, this is -- my view is that I have to say it's very candidly, we'd like to see the United States to be here. It is now, I will say, China who can say no or yes to the United States. This is -- if you look at a little bit back a few decades ago, the United States, to be part of East Asia already, since that particularly in World War II here, and it is the legacy -- we recognize this legacy of the hatred here. And, actually, my point of view is not China who can

drive the United States out of this area. But the host of countries, they will do it. The example, for example, in 1992, the Philippines who decided they didn't want the United States to stay. So they ask them to leave. So it is not China's business on that. So I think, in the future, we have no obsession whatsoever to see the United States to be in East Asia, as long as the United States can be a stabilizer and play a constructive role.

MR. ROY: Maybe a couple of comments on this point -- the issue of the continuation of the U.S. hegemony really relates fundamentally, I think, to the question of what -- as Bob alluded -- what provides order in the international system, in general, or in a region such as Asia. And the doubts that are created in the minds of those people who support American hegemony are based on uncertainty, based on the fundamental problem, as Mearsheimer discussed yesterday, of suspicion and how you can adjust to the elimination of a power such as the United States or its gradual reduction as providing a public good security. How you can make that transition is something that scholars have debated about endlessly. Now, the English made this transition, as we learned yesterday, in part because they had no alternative, they had to accept it. With the U.S. rise of power, they really couldn't challenge it in a fundamental way, plus there was an inclination, as Bob alluded, that perhaps because of cultural, historical, and other reasons, this might not represent such a significant threat to British interests, long term.

In Asia, unfortunately, I mean, you can't yet make that kind of -- draw that kind of conclusion. I agree with Bob on that point. Even though globalization is a major element, I think, of the modern era and is altering security perceptions in sometimes meaningful ways, I don't think you can necessarily draw the conclusion that that will compensate for the kind of uncertainties that, given historic experience of Asia, can give rise to some very serious problems. So, as a result of that, I encounter very few American, sort of, geostrategic thinkers who believe that there is any easy roadmap or alternative to U.S. predominance in the region. And it's something that needs to be discussed more openly.

In China, it certainly isn't discussed that I would regard as kind of a meaningful way. I mean, I recall a conversation I had some time ago with a very thoughtful strategist in the Chinese military about the future of Asia and the security of Asia, and at that time he was a very strong proponent of what the Chinese refer to as "the new security concept," which was basically this notion that a sort of cooperative security structure of some kind is really the only ultimate future for Asia, and that the United States has to be able to adjust to that. And we spoke specifically about the question of Japan, though, and I said, "Well, you know, you've got one big problem here. Put aside the U.S.-Chinese potential rivalry of how to deal with Japan in terms of both your perception and our perception. And, thus far, Japan, obviously, hasn't posed you that large a question because of the relationship with the United States. Now, if you speak about a multi-polar world with cooperative security, and you assume, therefore, that Japan would acquire its own security capabilities and become genuinely autonomous, how do you make that transition from a security -- bilateral security alliance with all of its commitments that currently exist in the U.S.-Japan relationship to this multi-polar world in which we are all balancing in a stable way without uncertainty and suspicion of a sort that we create

conflict?" And his answer was, "Well, we and you, China and the U.S., just have to assure the Japanese that everything is okay."

So you end up with that kind of facile sort of a conclusion. Unless you try to get into the details about how you make this kind of transition in a world of types of uncertainties.

MR. STAPLETON: That's why you have to get Japan into it. I mean, I was very uncomfortable the direction this discussion was taking, because you can't talk about East Asian security in terms of the United States and China.

MR. ROY: Right.

MR. ROY: You have the second-largest economy in the world in Japan, and it was the dominant Asian power for the last -- much of the last century. So for the United States -- no one argues that the United States is not the strongest country in East Asia and the strongest country in the world on an individual basis, but the question is, what should our policy be, and with East Asia changing with China becoming stronger and more prosperous, but we have to remember that Japan is also coming out from post-World War II leadership, and the new generation of Japanese leaders are nationalistic; want Japan to be a normal country; and the question is -- do we assume, then, 19th century frictions as we try to manage contention between China and Japan as our strategy, or do we try to create an East Asian environment, which is compatible with a stronger China; a Japan which is no longer under the trauma of World War II; a United States still engaged in the region; and a Southeast Asian region which is a very important populace and economically successful? And the answer is a concept of U.S. predominance doesn't fit that area.

MR. SWAINE: Well, if I could just -- essentially, what I think you're saying, Stape, is -- and correct me if I'm wrong, I mean, the U.S. has to recognize that it needs to develop a strategy to yield to what is likely to be the inevitable.

MR. ROY: We want to create an environment that's compatible with our interests, and that doesn't require us to be able to run roughshod over anybody when we chose to.

MR. SWAINE: Right. The problem, of course, is that there are a few of those who are committed to this idea.

MR. ROY: I'd like to make a case for running roughshod over everybody, if possible. (Laughter.) Well, my philosophy is okay for me but not for you, and that's the trouble.

Q From Department of Commerce. I have two questions. One question for the American speakers on the panel. The other is for the Chinese speaker on the panel. The first question is if we assume China's rise is unavoidable, then it's in the United States

long-term interest to make China Americans are different, if it is so, what means we can use to make China a real friend of United States?

My question for the Chinese speaker is -- just like the panel expert said, you are talking about East Asia; you have to talk about Japan. If China wanted to remain a regional power in Asia, you have to have a positive relation with Japan. You didn't mention this in your talk. Also, that is a real question to test China's leaders' wisdom of foreign policy. Japan right now is really active to seeking for a permanent member in the U.N. Security Council. What position China will take will be promote China's long run interest in these issues? I hope your answer -- or you suggestion. Thank you.

MR. SWAINE: Well, there actually are three China speakers on the podium. So, Stape, do you want to --

MR. ROY: Well, I addressed it in my opening remarks. I mean, I said that a constructive relationship with China was a sine qua non, a necessary element of a stable East Asian balance and that therefore that ought to be our primary strategy -- to try to create an East Asian balance on which you could have a stronger, more prosperous China, a Japan that's integrated in a balanced way into the region, and enjoy the benefits of essentially what's been the situation in Europe for much of the time. It's not going to be easy to achieve, but it ought to be our primary strategy.

Now, the converse is equally clear to me -- that if we end up with a hostile relationship with China, we are going to have a troubled East Asian region, and I don't see a troubled East Asian region as in our interest. We happen to be the country, which is best positioned to deal with a troubled region because we're strong. But just because we're strong doesn't mean we need to go out looking for troubled situations. On the contrary, we ought to be trying to create situations where our resources can be used for non-military needs to the maximum extent possible.

MR. RUAN: Well, yes, I have some comments on your question on China's relations with Japan. I think it is the logical, and I speak for myself, that we'd like to see Japan play a more permanent role and, in my point of view, actually, there is nothing wrong for Japan to become a normal country. But to become a normal country, you've got to be very honest about the long, long ago -- the history -- and so that you can share a greater responsibility which the East Asia with other parts of the and can put on your shoulder. And I think, in the longer term, with respect to China's relations with Japan, I think, there is a sort of perspective we should understand, and such kind of relations -- well, there is a saying here that "One mountain should just have only one tiger. If there are two tigers, they will fight towards each other." So very often, such kind of metaphors are used to look at China's relations with Japan, because they look at them as both tigers.

Japan and China's relations are very -- I think you can trace back a 1,000 years ago, but one thing, for sure, is before the Minzhi restoration, China, of course, was a very strong at that time. So Japan learned from China. After Minzhi restoration, China was

declining, become very weak, had become semi-colony and Japan learned from the West and became very strong.

So I think if we're -- after the Minzhi restoration; that is to say, more than 100 years in Japan's perspective, it is easier to get on always a rather weak China. It's a sort of a mentality. But today's China is no longer that sort of weak. We are find a way of development. We are catching up with some area. Of course, I will say Japan is, in the foreseeable future, the second-largest economy in the world, and China is in no position whatsoever can challenge that, in my point of view. And so, in a sense, for both China and Japan learn how to cope with each other, particularly when East Asia, for the first time, we have to see that both China and Japan become a rather or relatively strong in certain cases.

Q Jeremy Strozer, State Department, Bureau of Intelligence and Research. I have to say, right off the bat, that I agree with Ambassador Roy's view of how this relationship is going to develop, but I have to ask, with the United States concentrating much of its resources in other parts of the world, very similar to the way Britain was concentrating many of its resources that the United States developed, why is it not necessarily in our interests to encourage China to develop in a way that allows us to pull back from the region? And, second, the talk coming out of the Chinese, and specifically the member of the panel up there, is very encouraging, but it also reminds me a lot of what Germany, before World War II, was saying about Danzig and the Sudetenland of why those areas belonged to Germany and why Taiwan belongs to China, and also about what Japan was saying about the greater East Asian Co-Prosperity Sphere and China's perspective of developing a regionally oriented economic prosperity for everyone, and what can China view today to encourage people not to feel as if it's repeating historical precedent or not to feel that China is actually a threat, just as those countries were, even though they said very nice things. And then how can U.S. policy be used to encourage China and Japan to have a form of rapprochement that can develop what the panel discussed as a possible Asian community, which would then allow the United States to accept peaceful structures in the region that will allow it to pull up?

MR. SWAINE: Well, there's three questions there, Stape, I guess one of them was a question of why not trying to transition by building up China's power so that the U.S. can, in fact, exit the region?

MR. ROY: Let me -- something that has been missing in this discussion, but which is very much a part of my thinking. It has to do with the nature of power. The U.S. system of government is based on the assumption that power corrupts, and that's why we considered it essential to check and balance power and not have it concentrated. I happen to think that is a brilliant insight and it has been proven domestically and internationally. That's why you have to be very careful about building up power, and we are now confronted with the danger that we're going to be corrupted by our power and use it unwisely. That's why I think we should be using our current predominant position to try to establish an international system that's compatible with our interests which

discourages us from thinking that we can use our power arbitrarily, which is what corruption of power amounts to -- arbitrary use of power because it's unconstrained.

Well, the same dangers exist for China, and building up China will be subject to the laws of unintended consequences. China is rising because the Chinese people have found a way of accomplishing it very successfully. But they may stumble at some point in this process, and that's not going to be necessarily because of outside forces. So I don't see us as trying to build up China or trying to hold back China. I see us as trying to create a system in East Asia in which there is a stable balance that enables powerful countries to coexist there because the temptations of abuse of power are under proper controls.

MR. SWAINE: Ruan, do you want to comment on this question of Taiwan and perception of --

MR. RUAN: Well, first, I think I should answer the question about how China can convince the neighboring countries that it is not a threat. It is a very good question, and we very often ask it ourselves -- exactly that same question. I know it's very difficult to convince anybody, but if the last 25 years that serves as a reminder we can see what is happening between China's relations with its neighboring countries. Let me just -- an example on China's relations with the ASEAN. And, you know, in the early 1990s, China started to attach great importance to mobilize its relations with ASEAN countries, for example, Indonesia, then Singapore, and after the financial crisis and China started to built 10-plus-1 with ASEAN countries this formula, and in Europe 2000, China and ASEAN agreed to establish the free trade area. And in 10 years' time, I think such kind of ultimate goal will be achieved, I am sure for that. And, before that, we also reached the early harvest, for example, with Thailand. And so if all this serves as a reminder, we can see China has invested enormous to build up our relations with these countries. And let me just also add a few footnotes for that.

What I have said is economically and politically and also in very recent years that you have seen China is a first country of non-ASEAN countries to sign the tax treaty of amnesty and cooperation in Southeast Asia. So this is a tremendous achievement and such kind of action taken by China is followed by Japan and India as well. So for ASEAN countries, they were very happy to see that, and they have almost become a sort of attraction to the relatively stronger powers in this region. Now they are the dominance in this area, and I will say with respect to security, even, like the land sale dispute, China has a code of conduct with them and also China and ASEAN jointly, let's say, issued that sort of statement on conventional threat. All of this combined together, I think, if China is not to take tunnel vision to develop inter-relations with its neighboring but also a very wise perspective.

I would also say that because they also mentioned China's relations with Japan -- again, I have to add another footnote is that I must confess I was extremely encouraged last year when China, South Korea, and Japan, for the first time, to issue a joint statement. This statement promised that they would strengthen their cooperation in the

future. As we know that, as I mentioned in my remarks, now we have 10-plus-1. This is three parallels. There will be no East Asia community or no East Asia ascent or revival or whatsoever without the full cooperation between China and Japan. So that's why I feel very much encouraged to see Japan, for the first time, issue a joint agreement with China and committed that we will work together for the sake of a whole integration of East Asia.

MR. SWAINE: Do you want to say anything?

MR. KAGAN: Well, I just feel like on the issue that was raised before about friendship with China and addressing some of the other questions, I'd like to return to a little bit of reality for a second, because the truth is that American policy toward China for the last decade and more has been some combination of engagement and containment, and there's been a very strong element of containment already, and essentially whether this is a policy or just a default policy, it's kind of hedging-your-bets policy, you know, engaging -- but let's not pretend that we're not containing China. We are containing China, and, in fact, some of the biggest steps toward the containment of China took place during the Clinton administration. You know, then-Assistant Secretary of Defense Joe Nies (ph) deal with the Japanese coming, not coincidentally, on the heels of the Cross-Straits Crisis of 1996, which strengthened U.S.-Japanese mil-mil (sp) relations and even had a little bit of how Japan might help in the event of a Cross-Straits Crisis. I mean, we have, before September 11th and before the Bush administration sort of became wedded to the unwavering goal of strategic predominance, you had Rich Armitage heading off to India, which was seen rightly in China as part of creating a -- strengthening the belt of containment around China. You know, it's not a coincidence, I imagine, that there have been South Korean and Japanese and Australian forces of one kind or another in Iraq, of all places. I mean, what is that about if not part of the alliance structure?

So, I mean, if we're going to have this conversation, let's at least acknowledge two things -- one is we are containing China; two, is China knows that we're trying to contain it, and let's not pretend that next week we could have a policy where we are embracing China as a friend and an equal partner in the management of East Asian relations.

MR. SWAINE: I would just simply say, by way of comment, maybe you'd take it as semantic, Bob, but I wouldn't call what U.S. policy is as "containment." I mean, if you look at the Cold War era, and you look at what containment meant with the Soviet Union, we are not containing the Chinese. We are dealing with the Chinese in a huge variety of areas that increases their power. So we're hedging, we're hedging in very important ways, but --

MR. KAGAN: I would say it's much more akin -- this is not necessarily an optimistic assessment, it's much more akin to the British experimenting with various policies towards a rising Germany at the end of the 19th century, the beginning of the 20th century, because there were various Anglo-German rapprochement. There was a huge trade relationship, there were a lot of hopes that you could steer Germany in the

right way but, at the same time, they turned to a containment strategy. So, you know, the question of how you balance --

MR. SWAINE: Turn to it, yes. Creating a basis for being able to turn to it, I think is what's going on.

MR. KAGAN: Okay.

MR. ROY: I think what we have is multiple containments underway.

MR. SWAINE: I think we've run to the end of our time, and it's been a very interesting panel, and obviously there's a lot of issues here which will continue. And I really appreciate the audience for participating so spiritedly. But very much I want to extend my appreciation to the panel. Let's give them a round of applause. (Applause.) Thank you all very much.

(End Panel III.)