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## **The Rise of China and the Outlook for US-China Relations**

It is a special privilege to have this opportunity to return to Shanghai to give a talk in honor of the memory of Doak Barnett and Michel Oksenberg. Professors Barnett and Oksenberg were two close personal friends, two of America's finest China scholars, and two far-sighted individuals whose energy and vision had a profound influence on the development of US-China relations. We are particularly fortunate that Jeanne Barnett and Lois Oksenberg are here today. In honoring Doak and Mike, we honor Jeanne and Lois as well.

In my early years as a diplomat, Doak Barnett's name assumed in my mind an almost legendary status as he published a series of studies on China's domestic situation and foreign policy that were as informative as they were well-written. He then brought the same analytical skills to his assessment of US-China relations, concluding that changes in US China policy were vitally necessary. He also perceptively judged that President Nixon was better positioned than the Democrats to make these changes. Through articles, congressional testimony, and books, Professor Barnett demonstrated his far-sighted wisdom in anticipating the desirability of better relations between the United States and China. Not surprisingly, he is credited by some experts as influencing President Nixon to initiate the daring break-through that began the process of restoring normal relations between China and the United States.

However, Professor Barnett's accomplishments were not limited to his impact on foreign policy. He played an equally important role by helping to prepare American public opinion for the change in US relations with China. True to his missionary heritage, Professor Barnett became a persuasive public advocate of efforts to relax tensions in Sino-US relations. Given the generally negative views of "Communist China" that were widespread in the United States at that time, his convincing arguments in favor of better US relations with the People's Republic of China helped pave the way for the positive changes in Sino-US relations that took place during the 1970s.

During those years, Doak Barnett was simply a name for me. Since we were both born in China of missionary parents, we shared a common background, but I had never had the opportunity to meet him and only knew him through his published works. It was after I returned from an assignment in Moscow in 1972 that I first had the opportunity to become personally acquainted with Professor Barnett. I was invited to join a discussion group established under the aegis of Professor Barnett that met regularly to discuss developments in China. Given his semi-legendary status in my eyes, I expected him to be an intimidating presence. Instead, I found that he was a warm and likeable human being who was even more impressive face-to-face than through his writings. Even when the discussion in the group became lively and even heated, since the group contained many specialists with strong opinions, Doak's observations always reflected his

extensive knowledge of China and his balanced analytical approach. His contributions were invariably aimed at improving understanding, not at winning arguments. He became a valued friend.

A few years later, When I first came into contact with Michel Oksenberg, it was not difficult to understand why Mike's passion for China had been kindled when he met Doak Barnett. Nor was it surprising that the two had become fast friends, even though in some ways they were very different as human beings and had become acquainted with China in very different ways. Mike and Doak shared a belief in the desirability of a constructive relationship between the United States and China. Both had the scholarly objectivity to lend weight and credibility to their views. But no one, not even Doak, could match Mike's incredible energy.

It was disconcerting to travel to Beijing with Mike because he always wanted to be up at 5:00 am to tour the markets and explore the hutongs. This left the rest of who preferred to catch an extra hour of sleep feeling guilty because Mike always returned from these jaunts bubbling over with fascinating stories of the people he had encountered and the special features of Beijing he had observed. I took comfort in the reflection that having grown up in China, I did not need to discover China's charms, but I felt guilty anyway. Nevertheless, this never detracted from my admiration for Mike's irrepressible spirit of adventure.

I first met Mike Oksenberg at the beginning of the Carter Administration, when he left academia to become the China specialist at the National Security Council under Dr. Zbigniew Brzezinski. For two years, we worked together closely on the preparation of the policy papers that led up to the secret negotiations to establish diplomatic relations between the United States and the People's Republic of China.

Mike was a breath of fresh air in the staid bureaucratic environment of Washington. His enthusiasm was matched by his eye for detail, his concern for historical accuracy, and his ability to synthesize complex issues and reduce them to their manageable essentials. This was vitally important, because the policy papers under preparation needed to take into account the previous seven years of detailed exchanges between US and Chinese leaders that began with Dr. Kissinger's first visit to Beijing in July 1971. These records had been held so closely at the White House that in most cases no one at the State Department had seen them. As a result, the policy process at first took the form of a vast learning exercise conducted under conditions of the utmost secrecy. Even with the change in administrations, access to the records was still restricted to only a handful of people in the State Department and the National Security Council.

Mike was the custodian of the records, and he studied them with an eye both to their policy relevant and their historical significance. I was immensely impressed by the speed and accuracy with which he reviewed the material and extracted the essential elements. Later, when I became the deputy to Ambassador Woodcock in the US Liaison Office in Beijing and participated in the secret negotiations on normalization of relations, I knew that Mike would be the first person in Washington to see our reports of the negotiations. The mutual confidence we had established through our collaboration on the policy papers proved to be extremely valuable during tense moments in the negotiations, when vitally important judgments had to be made.

Even though the key decisions were made at higher levels – by the President, the National Security Advisor, and the Secretary of State – I believed then, and continue to believe to this day, that Michel Oksenberg's involvement in US-China relations at that time made a highly significant contribution to the success of the negotiations. My initial high regard for Mike increased further over the next two decades as I continued to encounter him in various capacities, whether as a professor at Michigan or Stanford, or as President of the East-West Center in Hawaii.

Honoring the memory of Doak Barnett and Michel Oksenberg together in this fashion is particularly appropriate not only because of their close friendship and mutual respect, but also because of the vital contributions each made, in his own way, to the establishment of better relations between the United States and the People's Republic of China. At the same time, I want to pay special tribute to their role in training and inspiring a generation of students and scholars, some of whom are here today, who were infected by their love of China and their belief that the United States and China can, through patient efforts, work out their problems, contribute to the common good, and advance the interests of both countries and the world. This is a lasting legacy that will be of immense importance in the years ahead.

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Now let me offer some comments on the outlook for US-China relations in the light of the incredible transformation that has taken place in China in recent years and that could, if the process continues, make China a truly global superpower within a few decades. This transformation is symbolized by the changing face of Shanghai, which is now barely recognizable as the city where I was a ninth grade high school student when the People's Liberation Army marched in at the end of May in 1949, nearly 56 years ago. The next twenty years were dark ones in the history of US-China relations.

Thirty-five years ago, when possibilities first began to emerge for moving beyond this period of bitter enmity between China and the United States, even Professors Barnett and Oksenberg, with all their powers of discernment, would have had difficulty foreseeing the present situation in China and the current state of US-China relations. Both are far better than even the wildest optimist would have thought possible at that time. And yet both remain vulnerable to world events and to potential failures of leadership, if these should occur. The record suggests that we need not be pessimistic. However, we can be certain that the bilateral US-China relationship will face severe tests in the years ahead, just as it has in the past. Understanding the nature of these trials can help in being ready for them.

Just over a month ago, George W. Bush was sworn in as President of the United States for the second time. His new administration is still in the process of formation. It will face some of the most daunting challenges to face any US government since our founding as a republic over two centuries ago. We live in an era of breathtaking change. The experience of the Cold War, which shaped US strategic thinking for over four decades, is no longer relevant. Non-state actors now pose some of the most dangerous threats to peaceful societies. Weapons are more destructive than ever and could pose unimaginable dangers if they fall into the hands of destructive terrorist elements. Alliances that had stood the test of time during the bipolarity of the Cold War are

evolving in ways that undermine old assumptions. New patterns of relationships are emerging. Even the most enlightened thinkers are having difficulty understanding the significance of these changes.

Quite understandably, the Bush administration is focused for the moment on bringing the US intervention in Iraq to a successful conclusion. In the broader sweep of history, however, the challenge of terrorism will prove to be of lesser significance than the stunning surge of Chinese economic growth over the last two decades. This burgeoning growth is forcing governments throughout the world to consider what sort of country a stronger and more prosperous China will be. Even as the United States struggles to shape developments in the Middle East, it is worth remembering that Iraq under Saddam Hussein was a failed state, isolated and without friends. China, in contrast, is succeeding at breathtaking speed.

It is no exaggeration to state that China is likely to present the United States with its preeminent foreign policy challenge in the twenty-first century. The editor of Newsweek International, Fareed Zakaria, observed in the Washington Post a few months ago that there have been two great shifts in the international balance of power in the last 500 years. The first was the rise of Europe, which became the richest, most dynamic, and most expansionist part of the world between the 17th and 19th centuries. The second was the rise of the United States in the 2nd half of the 19th century and extending up to the present time.

Now we are witnessing the third great shift, which is the rise of Asia. This process began with Japan's recovery from World War II and the successful development strategies of South Korea, Taiwan, Hong Kong, and Singapore. It spread to other Southeast Asian countries such as Thailand, Malaysia, and Indonesia. It is now being led by China, but at a higher speed and on a much larger scale. India is not far behind. This enormous rise in the productive capacity of Asia is beginning to reshape the international landscape in fundamental ways and could become the dominant feature of this century.

For obvious reasons, the United States and Europe, as the leaders of the developed world, are playing close attention to this phenomenon. Like it or not, the rise of Asia will alter the relative positions of the United States and Europe in the world. Moreover, how the United States and Europe respond to this momentous shift in the global center of gravity to Asia could have a profound impact on how the rise of Asia unfolds, and whether it is peaceful. This will remain true whether the European and American responses are similar or different. However, the degree of parallelism in our responses will determine whether the rise of Asia, and of China in particular, strengthens common interests between Europe and the United States or accentuates our differences. The stakes, therefore, are enormous. If the rise of China causes the United States and Europe to drift further apart, while at the same time driving Japan and the United States closer together, the impact on both the global and regional balance will be profound.

There can be no doubt that China's rise is directly linked to the outlook for US-China relations in a variety of ways. Never before in history has a country risen as rapidly as China is now doing. Never before in history has a rise of this magnitude occurred at a time when the disparity in military strength between the dominant country and the rest of the world is as great as it is today. This means that China's rise will not only impact on the regional balance of power. Even more

important, it makes China the one country in the world that has the potential to pose a fundamental challenge to US supremacy. Moreover, this potential challenge is emerging at a time when neither China nor the United States has adjusted to their new positions – the United States as the sole superpower and China as the rising superpower. Let me develop these ideas further.

## **US preeminence in the world.**

The problem for the United States is that it has been cast into the role of the world's sole superpower without a consensus, either nationally or within the administration, on how this power should be used. We now have fewer constraints on use of our power because of the absence of a superpower competitor. Some Americans want to use our power to perpetuate US supremacy in the world. Others want to use it to oust unfriendly regimes and spread democracy and freedom. Still others hope the United States will use its power wisely to strengthen international cooperation and to foster a more fair and just global system.

Fifteen years after the disintegration of the Soviet Union, the United States has still not come to grips with the question of how to adapt its foreign policy to its new role in the world. With his usual prescience, Dr. Kissinger addressed this problem a few years ago in his book *Does America Need a Foreign Policy?* In it, he noted that "In the face of the most profound and widespread upheavals the world has ever seen, [the United States] has failed to develop concepts relevant to the emerging realities." This is as true today as when Dr. Kissinger wrote his book.

This is not due to any deficiency in the intellectual capacities of the American people. It rather stems from two intertwined considerations.

- First, the historical experience of the United States has not prepared Americans for the situation we face. Never before has the United States found itself in a leadership role in a globalized world that is not bipolar. Moreover, the dangers we face at the moment come less from specific countries than from issues such as terrorism and the potential proliferation of nuclear weapons. To deal effectively with these issues, we find that we need to cooperate with countries such as China and Russia, whose domestic structures do not fit the model of mature western democracies. This in turn enhances the contradiction between our ideals and our interests that has bedeviled American foreign policy throughout our history.
- The second reason for our mental unpreparedness is that we were thrust into the role of the world's sole superpower not by conquest but because of the unraveling of our principal opponent, the Soviet Union. This did not happen at a time of confrontation between the two superpowers. On the contrary, it occurred during a period of détente, when Gorbachev was pursuing policies of glasnost and perestroika that were opening up the Soviet Union to outside influences as never before. In looking back through history I have been unable to identify a comparable case where the dominant country achieved its position not through conquest but because of the dissolution of its principal adversary.

In other words, we have been cast into a role that we were not consciously seeking. Experience suggests that sudden accretions of power or money can lead to erratic behavior. We all know the stories of people who win lotteries and soon lose not only the money, but their jobs, their spouses, and their self-discipline as well. The fall of the Shah of Iran was directly linked to the influx of oil wealth after the 1973 war that corrupted the regime from within. Even a highly disciplined society like Japan did not cope well with the country's enormously increasing purchasing power following the appreciation of the yen in the late 1980s.

Not surprisingly, therefore, the United States is having difficulty determining how we should use the sudden relative increase in our power caused by the collapse of our superpower competitor. We reject the concept of "empire" as applying to us, but in much of the world we are perceived as peremptory and domineering – imperial in fact. This cast of mind was reflected in the Bush administration's National Security Strategy statement issued in September 2002, which proclaimed the goal of maintaining forces "strong enough to dissuade potential adversaries from pursuing a military build-up in hopes of surpassing, or equaling, the power of the United States."

In my view, this is a passing phase for two reasons:

- First, US resources are not sufficient to maintain a hegemonic position in the world. Trying to do so will result in imperial overstretch, that is, in a situation where our resources are insufficient to support our goals. We are discovering this the hard way in Iraq, where the mounting costs of the war and our growing budget deficit are making Americans more conscious of the limits on our resources and our capabilities. Our resources are enormous, but they are not of an order that gives us the luxury of avoiding hard choices between guns and butter, between international and domestic objectives, and between unilateralism and a cooperative approach that not only shares the burden but entails striking a balance between our interests and the interests of others.
- Second, sooner or later, Americans will rediscover the political principles that underlie our system of government, which is founded on the premise that power is dangerous and corrupting and that unchecked power in the hands of government will inevitably lead to improper use of that power.

The concept that power needs to be checked and balanced is just as relevant in international as in domestic affairs. It leads inevitably to the conclusion that being a "sole superpower" will lead to abuse of that power if it is not constrained in some fashion. The euphoria that marked the heady early years of the post Cold War period caused Americans to ignore these concepts and assume that we would only use our power for good.

That is still the American preference, but reality is beginning to seep in as we rediscover the age-old principle that ends in themselves cannot justify the means used to pursue them. Increasingly, I believe, the United States will be forced to give more thought to the question of how to strengthen a cooperative global system that will serve the interests of many countries and that can, in the no longer bi-polar post Cold War era, help to curb any exuberant tendencies for injudicious use of our power.

This is in our own interest, since if we are seen as using our power prudently, other countries will be more comfortable with our role in the world. As James Madison put it over two centuries ago, “independently of the merits of any particular plan or measure, it is desirable that it should appear to other countries as the offspring of a wise and honorable policy.” That is as good advice today as it was then.

Conversely, if we are widely perceived as relying on our power to pursue narrowly defined national interests at the expense of other countries, this will hasten the emergence of countervailing checks, a process that is already underway. These checks, over time, could take the form of coalitions or alliances against the United States that would produce a tenser and more dangerous international situation. History would be in danger of repeating itself.

In other words, American foreign policy will be more effective to the extent that it is based on common interests and succeeds in integrating our goals with a realistic understanding of the constraints on what we can accomplish. We now have fewer constraints on use of our power because of the absence of a superpower competitor. We thought this would make the choices easier. Instead, we are finding that confronted with a wider range of options, the decisions become more difficult because wise choices now require a measure of self-restraint that is difficult to achieve under the best of circumstances.

### **Implications of China's rise.**

Just as the United States is struggling to adjust its policies to a role in the post Cold War world for which it is mentally unprepared, China, too, is rapidly attaining a new and unfamiliar status in global affairs. Chinese have no experience in the modern era of enjoying the wealth and power that they are rapidly acquiring. The world now is very different from earlier periods when China was truly the central kingdom in Asia. As a result, no one, least of all the Chinese themselves, knows what kind of China we can expect in the future and how China will use its new capabilities.

History provides clear warnings that rising powers tend to destabilize their regions and potentially even the global balance. This was certainly the case for Germany and Japan at the end of the 19th century. The Chinese have recognized the potential dangers that a rising power can create and have advanced concepts such as "peaceful rise" or "peaceful development" to demonstrate that China intends to avoid the mistakes made by other rising powers, particularly Japan. While these concepts are controversial within China, their formulation is a positive sign that at least some Chinese are conscious of the historical precedents and recognize the pitfalls ahead.

The question is whether this will be sufficient. Hypothetically, it should be possible for new powers to emerge in a manner that is both peaceful and non-destabilizing. In the case of the United States, for example, we Americans do not think of our rise during the late 19th century as destabilizing. In part, this is because earlier we had already established our position as the dominant power in the Western Hemisphere, thanks to the protection provided by the British

fleet. At the same time, the rise of the United States can hardly be characterized as peaceful. On the contrary, we acquired our territory through a combination of occupation, purchase, and wars.

The Chinese, wisely, have set the goal of developing peacefully. However, this model has not yet been successfully implemented in the modern world. I think it is fair to say that most Chinese reject the possibility that they will become more assertive and domineering as they acquire wealth and power. In Chinese minds, they wish to become strong in order to protect themselves against exploitation by other powers, not so they can dominate others. The Chinese are undoubtedly sincere in this belief, but the fact remains that 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 can manifest themselves in the tendency to inflate aims imprudently and to display less sensitivity for the interests and concerns of others.

At the same time, accomplishing a peaceful and non-destabilizing rise does not depend simply on the intentions and behavior patterns of the rising power. If other major powers feel threatened by the rise, or are not prepared to accommodate the interests of the rising power, their reactions could precipitate conflict as easily as the conduct of the emerging country.

This is particularly relevant to China because unlike the United States in the late 19<sup>th</sup> century, China must share its region with other major powers. Thus far, the countries of East Asia have welcomed China's rise and benefited from the growing trade and investment ties that have accompanied China's rapid economic development and emergence as a major global trading country. Skillful Chinese diplomacy has also eased regional concerns about an incipient China threat.

At the same time, the recent frictions in Sino-Japanese relations illustrate how difficult it will be to avoid the destructive rivalries of the past. The test will come over the next two decades as China gains more wealth and power at a time when Japan is equally determined to resume the status of a normal country that has emerged from the shadow of World War II. The diplomatic challenge will be to see if this process can be managed peacefully rather than through military conflict.

Formidable as this challenge will be, meeting it successfully is clearly worth the effort. It is difficult to imagine a stable and mutually beneficial East Asian situation in which the United States and China have a hostile relationship, or in which China and Japan fail in their efforts to overcome the legacy of the past. Conversely a constructive Sino-US relationship that contributes to the preservation of mutually accommodating and mutually beneficial ties between China and Japan could form the basis for a prosperous and peaceful Asia Pacific region.

To sum up, the most daunting task for the United States will be to recognize the dangers of being a sole superpower and to make the adjustments in our thinking and our foreign policy necessary to contemplate a global system in which there is room at the table for a stronger and more prosperous China. A necessary proviso, of course is that China continues to respect the interests of other countries and does not embark on policies that make international conflict more likely. If, on the other hand, the United States persists in the goal of maintaining global hegemony, then China's rise will sooner or later pose a threat to continued US supremacy, and the outlook for

Sino-US relations will be clouded. In my mind, the choice is not a difficult one. There will be enormous benefits for the United States if we rely on diplomacy to support the adjustments in East Asia that inevitably must accompany China's rise to great power status, and to promote a stable and mutually beneficial regional and global balance. Under such circumstances, China's rise need not be seen as threatening.

Making this transition in US thinking will not be easy, as illustrated by the slowness with which we have thought through the implications of the post Cold War period. What is needed, to repeat the words of Henry Kissinger, is "concepts relevant to the emerging realities." Developing such concepts will take time, but in my view, the trend is moving in the right direction as Americans come to a more sober understanding of the limits on US power.

In some ways, China faces an even more difficult task because it involves two aspects. The first is to rise above the bitter legacy of the last 150 years, during which Chinese nationalism was forged in the struggle against foreign exploitation and Japanese imperialism. Over the last thirty years, both China and Japan have made enormous progress in establishing a more beneficial and cooperative bilateral relationship. However, in the last few years, historical frictions have reemerged between China and Japan on a disturbing scale. Because of the US alliance with Japan, we cannot be a disinterested bystander, especially since the United States attaches such importance to cooperation with both countries on a wide range of issues.

The second aspect, as noted earlier, is for China to remain on guard against the intoxicating aspects of its growing wealth and power, which can lead to rapidly inflating ambitions and misjudgments about the potential consequences of particular actions, however legitimate these may appear at the moment. There are encouraging signs that Chinese leaders are conscious of these dangers and determined to act prudently. This augurs well for the future.

Who can doubt that the world will be a better place if the United States and China can find the wisdom necessary to maintain cooperative and constructive bilateral relations as China continues on the path of peaceful development. Certainly, this should be an attainable goal if both countries keep in mind the advice of Shakespeare when he wrote:

"O, it is excellent to have a giant's strength; but it is tyrannous to use it like a giant."

These are the sorts of challenges that Doak Barnett and Mike Oksenberg would have relished. Both would have recognized the enormity of the task. Both would have addressed it with confidence that statesmanship on both sides could find the right answers. This perspective is as important now as it was then. Both Doak and Mike demonstrated during their lives that such feats of statesmanship are possible. If we both honor their memory and learn from their example, China, the United States, and the world will all be the beneficiaries.