SINO-AMERICAN RELATIONS:

AMOUOU124(C) **AMODA (MODA (MODA AND DOR VININ201** d versions to Mancy. De her to my right at a dinner one month before she left us: Leaning in with her views. Reaching out for mine. Standing tall in her wheelchair. To her right, quietly solicitous, sat her partner on an inspiring journey, who lifted her up down the long homestretch.

While I am deeply honored to be chosen for this first memorial lecture, I could not help but wonder what Nancy would say on today's topic. Just nine day before our loss, she

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

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

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

Besides, there are major areas of cooperation and common concern with Washington. The mutually assured disbursement of our economies and the stability of the global system. The curse of terrorism and spread of nuclear weapons. Safe shipping lanes and piracy. Climate change and clean energy. Health, food safety, drugs and crime Thus we must cool the hotheads in the PLA, think tanks and blogosphere who yearn for more robust contention with a waning America, underrating its steadfast powers. Overly aggressive actions would subject us to severe backlash and forfeit useful cooperation.

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

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

Relations with China: Great Walls and Open Doors

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

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

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

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

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

Thus we should continue to reject the apostles of enmity. No way can or

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

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

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

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

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

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

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

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

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

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

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

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

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

Fourth, thou shalt not contain China.

This is impossible. It would guar Td [(,)j 0.004 Tins

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

Sixth, thou shalt nurture mutual confidence.

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

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

Presidents Obama and Xi have talked but not met since reelection and selection. With no more campaigns for the President and an assured five to ten years for the Secretary, the political slate is clean. They should shed their entourages and scripts to huddle on strategic directions at Camp David, in summits and regional conclavesta **FullIndut(1)**8((c))4(i)he(D(8t)e) 0 004 Twi48-4()]TJ)13(oi)9(de)4(n)

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

Ninth, thou shalt encourage freedom.

Even the most severe critics of China's political system admit some great leaps forward from the horrors of the Mao era. Today Chinese enjoy the freedom of silence. They also can carp privately about their plights,