

Panel: China, the United States, and the World

PROFESSOR BRUCE CUMINGS: Welcome to our first afternoon panel. My name is Bruce Cumings. I'm in the History Department here at Chicago. Our panel today is entitled "China, the United States and the World." And we certainly have very interesting panelists to comment on this broad subject. I'd also like to thank Dan and Alex for organizing this conference and all the other students who worked so hard on it. And all of you showing up on a Saturday afternoon.

I very much envy our first speaker Ambassador James R. Lilley. He's had a distinguished career in things that have always interested me like clandestine work in the CIA. James Lilley has also had a distinguished and particularly I think important career as a diplomat. He came to Korea at a time of extraordinary crisis 20 years ago. I arrived in Korea with a foreign delegation that squired a Kim Dae-Jung dissident back from the United States to Korea in February 1985 and at the time it seemed as if the entire city of Seoul was divided between young people protesting and young people in riot gear. And for the next couple of years there were riot police by the thousands throughout downtown Seoul and a degree of virulent anti-Americanism that pales entirely compared to the current variety which is much milder. Ambassador Lilley stepped into that situation and within a year of his coming there, I don't know if it was all his handiwork, you had a transition away from the military dictatorships that governed Korea for decades towards the first direct presidential election since 1971 and then the democratization that followed that. As if that wasn't enough he arrived as ambassador to Beijing in May 1989. Just in time to confront the Tiananmen Square problem. It was escalating every day from May until early June 1989.

But what I think is most interesting about his life is that he is a genuine China hand. And in my generation of people who were educated by China hands like Jack Servis and Dorothy Borga, a number of others, I always envied their pre-1949 access to China. You can read all about it in Ambassador Lilley's memoir China Hands: Nine Decades of Adventure, Espionage, and Diplomacy in Asia. And by the way the ninth decade comes in because he was actually born a little bit earlier than 1935. He was born in Qing Dao, China the old German treaty port opposite Korea. So we're of course looking forward to Ambassador Lilley's presentation. I'm going to introduce everybody and keep my own mouth shut while they make their presentations.

Our second speaker will be John Mearsheimer, my friend and colleague here in the Political Science Department. You can read the long list of accolades that go under John's name in your program. Somewhat unusual as a Chicago academic, he graduated from West Point and also was in the Air Force for five years. He is a particularly wonderful teacher. I don't know how many students have told me over the years how much they enjoy his courses. Sometimes I wonder if they're telling me something about my own teaching. He won the Quantrell Award, which is a very valued award here for undergraduate teaching. He's also a Yankee fan, I must say a rock-rip Yankee fan. He was trying to tell me yesterday that he's become something of a Chicago White Sox fan but I don't really believe it. He is also a person who bridges the disciplines of history and political science. The history books, all of which I've read with enjoyment represent a kind of historically-informed political history and political science. The first book, Conventional Deterrence, is a very good account of something we don't think about very often which is how to deter things like

blitzkriegs as opposed to nuclear warheads. I remember that book so well. He writes very clearly. I think I could give a lecture on it off the top of my head today. The second book on Liddell Hart was also one that many historians have acclaimed and then of course his best known is The Tragedy of Great Power Politics, which came out in 2001. But John is also a public intellectual. He had a huge impact in the early 1990s with his essays and journal articles “Back to the Future” basically saying – you’re going to love the Cold War when you see what comes after it. And I must say a lot of what has happened since the Cold War might well have been predicted by John. So I also want to say that as an academic colleague and a public intellectual, John Mearsheimer is a person of tremendous integrity and fearless, really, in the things that he writes.

Ambassador Wu Jianmin is already my friend. We were sitting together at lunch. He’s had a very distinguished career. Right now, he’s President of China Foreign Affairs University. He was a spokesman for the Ministry of Foreign Affairs for three years from 1991 to 1994. He was Ambassador to the Netherlands; he was then Ambassador to France from 1999 to 2003. He’s been an Ambassador to the United Nations Office in Geneva and other international organizations. It was also appropriate that we had some Szechuan food for lunch because he was born in Chongqing. I don’t know if he had the chance to get any of that but at any rate I look forward to this panel and I’d like to welcome first Ambassador Lilley.

AMBASSADOR JAMES R. LILLEY: President Hu Jintao was just in New Haven, Connecticut, and visited Yale University. And Yale University has a long connection with Chicago. I gather one of our products, Hutchins, came in here and turned things around in Chicago. And some of my very best friends in the Central Intelligence Agency and Department of State -- Arthur Hummel who was Ambassador to China, Bob Myers who started the Washingtonian magazine, John Horton who was a great hero in World War II -- all were part of that Chicago group after World War II with brilliant war records and interest in China, studying under Harvey Creel and Morgenthau, and they were the best and the brightest.

I’m going to start off my talk with the long view. I’m an amateur historian, a practitioner. But I can’t help telling people it all started in 1916 in China with my father. I was born 12 years later. And he was there during what Mao referred it to as the semi-colonial, semi-feudal period, when we lived a very privileged life. The U.S. had concessions. The 15th Infantry in Tian Jin, the 4th Marines in Shanghai and ships coming up every summer. It was the era of the gunboats, the bible and the oil cans. And China was dominated by foreign interests. My father represented Standard Oil. And there was a sense of real humiliation and victimization on the Chinese part which they will never forget. It comes up in the strangest times, but it’s there. And I remember once when the Chinese Foreign Minister was talking to our Secretary of State after we had imposed sanctions on China after Tiananmen and he said “What you’re doing is the eighth party march on Peking.” And my leader said “What the hell he is talking about?” Well he was talking about the Boxer Rebellion. And if you ever saw 55 Days in Peking, you saw Charlton Heston, a Major in the Marine Corps, leading the troops in to rescue the hostages from the Boxers and then he turns around and rides out on his horse and Ava Gardner is waving to him and he puts a little Chinese kid on the back of the horse and he rides off into the sunset. And we’re all very proud as Americans and heroes. The Chinese see nothing in that but abject humiliation. We look at it quite differently.

But China's then-Foreign Minister Qian Qichen raised this. He raised it after Tiananmen and he raised it in the context that we were trying to get him and China to sign on to the use of force on Iraq which he would not do, which Li Peng told me a month before they would not do. And the Chinese had wanted to come to Washington and see the President and see the Secretary of State and everybody. We said, no, not unless you sign with us on use of force. Well the Chinese said no and they went back to Peking. They went to Brent Scowcroft, to the President; he overrode the State Department and they abstained on the resolution and came to Washington. But it was instructive in the tactical victory that the Chinese had, that at least we had the presence of mind when he met the President to lay before him three criteria for the future of our relationship. The first one was human rights; Dick Schifter at the National Security Council. The second was trade matters with Joe Massey at the U.S. Trade Representative and the third was proliferation with Reg Bartholomew at State. And these were carried out and actually for about two years we controlled the agenda. A short-term tactical defeat, prevailing in the longer term. That's the way things evolved in my experiences. But getting back to the period of victimization, humiliation. We went on to the horrible chaos in World War II; my brother was there in China. And cowardice, Civil War, Japanese occupation, Nanjing. It was a terrible time in China. Inflation, floods, deliberate floods. And China was torn apart. Out of this came a renewal of their great concern about chaos. And this ended of course in 1949 when the Communists won the Civil War.

The concern about chaos appears again and again in our haranguing the Chinese on issues of individual human rights. Because fundamentally they don't see it the way we do. They see it more as people spoke this morning about the Confucian, Communist legacy of collective responsibility and of individual sacrifice to the common good. And I think Jonathan Spence has written a very interesting book about this called Treason by the Book, which describes how the Chinese have rooted out dissidents.

Great mistakes were made, by us and by the Chinese, in the period of the Korean War. I was engaged in paramilitary activity against China, almost all of which failed. And the Chinese were engaged in supporting Communist parties in south-east Asia, all of which failed except for Vietnam, and you know what happened there. So we both were involved in faulty moves. I remember the leader of the American military effort against the Chinese was told that there were a million guerillas on China in 1951. We dropped people in, we tried to put boats, air drops and, he said, "if I ever find a guerilla in China I'll stuff him and I'll put him in the Smithsonian." There wasn't any resistance. Well, you know, maybe Helen wasn't in Troy, that's what Herodotus said. The idea of finding out what's going on in a country has caused us problems since.

And I was fortunate enough to be in the period of reconciliation when we -- Zhou Enlai, Mao, Henry Kissinger, and Richard Nixon, men of great vision -- re-established this relationship and it took off from there. And the reconciliation came. Anyway, I think that when you look at the past and you read what the Chinese were saying, for instance, between Mao and Stalin in December 1949. Where Mao clearly says in a cable to Stalin, that we have now, that he needs peace after the horrors of the Civil War; he needs to build up China again. And he wants peace on his perimeter. Sound familiar? Well they were at war in Korea 10 months later. Then you move into peace, peaceful development. Zheng Bijian came up with the phrase peaceful rising and it evolved into peaceful development. But in between we have peaceful evolution by John Foster Dulles in

1958 - sandwiched between Mao and Zheng Bijian is Dulles' interpretation of peaceful evolution, which means you bring down Communist systems by undermining them.

So it's a complicated business when you're talking about peace because sometimes it doesn't happen no matter what the great leader says and sometimes it's reversed. I think the other thing I would stress, and this comes up again and again, it came up in the talks this morning, about Chinese concerns with domestic stability. And that so many of their foreign moves are made largely to sustain growth in China and maintain stability. And this clearly influences foreign policy. And if you want some ludicrous examples of how domestic policy influences foreign policy, all you have to do is to turn to the fifties and see how Joe McCarthy affected our China policy. There was a freeze in our relationship with China, partially started by him though there were other factors at work. But he was the most vociferous on the subject "Who lost China?" And it distorted the whole picture on China. Some of our best men including Jack Servis, John Davies and people like this were lost. On the Chinese side they had the horrors of the Great Leap Forward and came up with the crackpot idea at that time of the east wind prevailing over the west wind. So you had both sides torn by domestic forces, really screwing up their policy towards each other.

Now I'm supposed to talk today about China, the U.S. and the world. I'd first like to say just briefly that U.S./China relationships are not always trendable. If you go through the periods that I was directly involved in, we had at the beginning of the Reagan administration the statement during the campaign that we would restore official relations with Taiwan. And then you had the long, tedious arguments that led up to the August communiqué of 1982 which quality/quantity limits arms sales to Taiwan, given a peaceful environment. But relations hit bottom. By the time Reagan came out of there you'd had the great opening of 1987 between China and Taiwan. You had Taiwan with a sense of confidence that it could deal with China, Taiwan's President Chaing Ching-kuo made this decision. We knew that he was going to open to China as early as 1982. He had this four-point plan, namely to democratize Taiwan, Taiwanese it, keep prosperity and open to China. And he did all four. And Reagan rode in on this because we could give him the confidence to carry out this program to improve relations with China. When George Bush Senior came in, within four or five months we had Tiananmen. And again relations hit rock bottom. I had the dissident in the Embassy for 13 months. They were shooting. There was a clamor from the United States to sanction China. The Chinese feeling that they were being wronged and dissembling on what had happened. But it was a period of great tension. But within two years we'd worked our way out of that. Enter Clinton and you have most-favorite nation status tied to human rights. And the Chinese frankly told him to go to hell. It doesn't happen. But Bill Clinton being the master at spin, remember [unintelligible] has a cartoon of him eating crow and he says "My that tastes just like chicken."

[Laughter]

Anyway we went through this period in the beginning and towards the end in '96 we had what Peter Rodman discussed as the close call in the Taiwan Strait with the two carrier battle groups and the live fire exercises and the missiles flying around. And there had been a previous problem in the Taiwan Strait in 1958 which is outlined in the greatest of the new Cold War files: what Mao was trying to do, the role of Kruschey, and the role of Eisenhower and Dulles. And anyway

that was taken care of. Both sides agreed after the dogfights; the MiG-15s and 17s taking on our F-86s with Sidewinder Missiles was not an equal context. But there was on and off even firing on Kimoi [phonetic] until 1979. But in any case these things have come up and it's been rocky. But it always seems to me we come out of it. The EP-3 as Peter said happened on April 1, 2001. Chris Hill last night told us that things are in good shape. And I take his word for it.

But let's look at how we interact in various areas. That's the subject of this panel. And if you look at Africa, for instance, there are alarm bells going around about the Chinese role in Sudan which Chris talked about last night. The Chinese into Nigeria. The Chinese moving on Africa. There's nothing new about this. They did this in the sixties. They built the Tansan Railroad with Julius Nyerere. They worked with Sekou Toure in Guinea. They worked with Nkrumah in Ghana. They aren't the people necessarily that we would have picked but we were working with Nkrumah too. But in any case, they did it before, and the pattern of what they're doing now is fairly familiar but the oil is added on to it. And of course in Sudan, Nigeria, and Angola, this is a factor. I don't see why this has to concern us very much. Their power projection in Africa is welcome. They are contributing to infrastructure projects. So I'll put that aside.

In Southeast Asia, this is where there is some competition. We made our incredible mistakes in Vietnam from '65 to '75. And we suffered considerable loss by what happened, and eventually we pulled out of the Philippines, as you know. But the Chinese also had a serious problem in Indonesia in '65 with the fall of Sukarno to Suharto and the Chinese were out of there for more than 10 years. And were persona non grata in that area. I can't judge the merits of the case but I'm saying this is what happened. We both suffered, we probably suffered more. But this goes back to what the Chinese tried to do after they'd supported the revolutionary movements in the fifties and lost every one of them. They then, in Bandung in '55 they took a new tack. And it started dealing with the countries in a non-aligned movement. And you saw this move down. And you saw this evolve. And you saw the Chinese coming in after some dust-ups in the Spratleys and places like that and seizing the Parasells in '74, we saw the Chinese coming to the aid of Southeast Asia, Indonesia included, during the financial meltdown of 1997. It was no-strings-attached aid. Not like the IMF. They came in and they got a great deal of credit in both Indonesia and Thailand for what they did. It was a new approach and it worked. And I think this led directly to what's happening today. Beating off the Japanese in trade in Southeast Asia, getting the ASEAN+3 working well and having more and more coming into a regional organization. And you have them again using united front tactics to establish themselves commercially and politically in Southeast Asia with success. And of course as Peter Rodman pointed out, there is nervousness in Southeast Asia and they're hedging with us. Again, both mistakes but I don't see conflict coming. Any kind of conflict.

In Latin America; again, this is our backyard - the Monroe Doctrine. We kept the Chinese out of there in the sixties. We ran some operations against them that got them kicked out in certain countries. And we did it. But now we see the Chinese coming back in. Argentina, Brazil, Chile, Venezuela, Mexico, all with potential slightly left-leaning governments, that are moving away from the free market formula to a form of I would say intrusive socialism and [unintelligible]. The Chinese are working with them. We also know the mistakes that we had in Latin America and I go right back to the Bay of Pigs of 1961, when we tried to invade an island off our shores about 100 miles

away with paramilitary forces and we lost badly and this has hurt our position in Latin America very much. Chris Hill used the word “catastrophic” to describe China’s possible military approach to the island 100 miles off their shore. Maybe there’s a lesson in there.

Anyway I think again we talked about Central Asia. You have a Shanghai Cooperative Organization. I was there in Shanghai when Yeltsin came in in ’96 to get it going. This big blimp of a soviet with the sophisticated people in Shanghai was quite a mix. But Shanghai was instructed by President Jiang Zemin “turn on the dog”. Well it started off on a wrong foot because here’s the Portman Towers, 44 stories soaring into the sky by [unintelligible]. Right down here is a little wedding cake of the Sino-Soviet Friendship Association, then the Chinese Exhibition Hall. The dynamics, the imagery was something. But the little wedding cake was all decked out with red carpets and chandeliers and booze and everything. And great motorcades and Russian businessmen running into Shanghai looking for work. And Yeltsin got drunk. And they wanted to show him the Bund, which in the old days was some sort of an imperialist symbol. And he uses some Russian expletive to describe the Bund and staggers off with his wife up the stairs. The Soviet businessmen go the sophisticated Shanghai businessmen and say “How do you screw the Americans?” Well I don’t think you quite approach it that way in Shanghai. They may do it but they do it their way. And the Russians took one look at those lovely split skirts and they were off in to the neon area and you didn’t see them again for 24 hours. That was the beginning of the SCO. Well it wasn’t a great start but we are now in the great game. You’re back to Peter Hopkirk, you’re in McCartney in the young husband and Tibet, Kyrgyzstan - all these names are coming back at us and a lot of it’s about oil. Excessive oil. But it isn’t the kind of thing you’re going to fight each other over. Because we’re building a great pipeline from Azerbaijan from Baku to carry the oil from that terribly rich area in there through Georgia and Turkey down the Mediterranean and the Chinese are building their pipeline from Kazakhstan down into Lanzhou area of China. So we’re both at it. And Azerbaijan is playing it off quite well. Chinese companies hire American lawyers. We even work towards joint ventures. I don’t see that becoming a place where we’re going to be getting into trouble.

Afghanistan is there. The Americans have been asked to leave Uzbekistan, we still got the base in Kyrgyzstan, and the Russians have one too. SCO asked us to leave but they didn’t ask the Russians to leave. So we thought that wasn’t - I think that’s what Chris was talking about last night. They aren’t really doing all that good. But the gas lines are going. China’s getting one from Siberia down into China. The Japanese are competing for the oil line there. It’s happening. If you go to the South Pacific and the South China Sea I think that’s not really high-stake stuff. The Americans do control the seas. And when you get down into Panama too or Fiji or Papua New Guinea, you either go by water and there the Americans are as they are in the straits in the Malacca where 80% of the Chinese oil goes through now. So here we are. We’ve got the seas. We’ve got dominance as we have on the East China Sea and I don’t think we have to worry about it. If the Chinese want to put \$300 million into [unintelligible], fine. That’s okay. The South China Sea is a little more serious. The Chinese in their NPC law of 1992 claimed the full South China Sea and they got some dust-ups after that. But basically today it’s being handled by joint ventures with Indonesia. It seems to have simmered down and the peaceful development has caught on and the military aspect has been subordinated to economic development. The question always then comes up, “How about Japan and India?” Here is Japan in a fight with Korea on the Tokdo Island with the

Russians and the Kurils, the four islands there, and with the Chinese and the Senkakus. These are lingering problems and the Chinese have basically taken care of an awful lot of their problems in Burma, India, Kyrgyzstan, other areas on the periphery, Russia, so that Japan's highlight that goes along with the Yasukuni shrine, etc, is this trouble with these neighbors over territory.

But the U.S. is linked to Japan. We have a long-term security treaty. We admire their progress since 1945. Whereas the Chinese tend to look at Japan prior to '45, we look at the Japan after '45. And it's been a good experience. We got rooked a bit on commerce from time to time, but we were able to adjust this. They still have a very large trade surplus with us and they got big hard foreign exchange. But as we move into Japan and as Japan begins to build up its military, as it will inevitably do because China is identified for the first time in its White Paper as the threat, the provision that concerned the Chinese the most was when the Japanese were going to cooperate with us in saying the security range covered Taiwan. And of course, that set off alarm bells in Peking. Since we were not going to let Japan back into the Taiwan situation; that was decided in 1972.

In any case, you see this going on with India and Peter Rodman talked about India. I won't go into that again, but I do think it's a healthy arrangement. India has come out of its socialist straitjacket, is one of the software centers of the world, it's lifted out of its problems. We have a strong military relationship with India and conventional arms sales and we have the nuclear agreement. But on the other hand, you have China and Russia. And you get China, Russia and I think Haushofer would applaud this arrangement. Although Alfred Mahan might like what we're doing with Japan.

You have the great landmass of Asia and a long and tumultuous relationship between Russia and China. Fifties, sixties - fine; sixties - confrontation, leading to the American opening to China and China opening to the U.S., and out of this comes the links that made our relationship really work. And I put this, my personal involvement watching the northwest sites develop to cover Soviet strategic weaponry, which was quite successful.

We had the beginning of modernization of the Chinese economy when George Bush talked at Deng Xiaoping in 1977 and proposed cooperation in offshore oil. So we were at the beginning of Chinese offshore oil and on shore we wanted to be involved and modernize it. And again, we worked with the Chinese and the Saudis and the Pakistanis to defeat the Russians in Afghanistan. I say defeated. And anyway, the reconciliation came after the Soviet Union broke up and now you have joint exercises at Shandong last year.

So anyway, I go through that history and I see many good signs. One of the good signs: I was looking at the American Chamber of Commerce in Shanghai, which has 2,000 members in it now, 100 new members coming in a month, 70% making a profit. And there are 22 MBA programs in Shanghai alone, two-year programs, no quick fixes any more. These programs are linked to Syracuse, Tulane, Europe, across the board, Sloane. Something's really happening in China that's gripping into the educational field.

Let me just finish on this note, and here I'm going to touch very briefly on a controversial area: Taiwan. Rhetorically, in terms of the language used in the three communiqués, etc, the Chinese have the advantage. I don't think there's any question about it. They have the advantage. We can fight an action on the basis of non-use of force, democratic forces, preserving Taiwan's prosperity,

etc., etc., but when you get down to it, they have the advantage.

If you look at this geo-strategic situation, we have the advantage. We have the most powerful Navy in the world. You don't take us on lightly, especially with the - I wouldn't say commitments - the obligations of preserving Taiwan from military takeover. But where we have the advantage. The place where you really have the biggest chance of success is of course in this incredible globalization between Taiwan, China, the U.S., Korea; everybody's involved. It's a huge operation. I saw it happen in Silicon Valley, out to Hsinchu up to Zhongguancun: legal help, capital, technology, moving Tsinghua graduates working with Caltech graduates from Taida - it was altogether and it was globalization and it was all under government. It was done by experienced businessmen who knew the business, knew the technology, knew the distribution centers and worked together.

And the force of globalization is so big, it involves so many powerhouses in Taiwan - Jimei [phonetic], Evergreen, Formosa Plastics, Taiwan Semiconductor - these are big, big companies with huge commitments to China in terms of their investments, the operations they run, and they must have some kind of a guarantee from China of the security of their investments.

We don't know about this. All we can do is to speculate, but it's a tremendous power, that it's a win-win-win situation and it seems to me the more we understand about it, the more we can work with it, the more we can develop the sort of integration you need and the political fallout of China's association with the Guomindang, the new election's coming up in Taiwan in 2008. You have a momentum there that seems to me that makes a lot more sense than to get into rhetorical and geo-strategic games.

Thank you.

[Applause]

PROFESSOR CUMINGS: Thank you very much, Ambassador Lilley. I'm a little worried about the 30% of Americans who aren't making a profit in Shanghai. What are they doing wrong? Anyway, our next speaker is Professor John Mearsheimer.

PROFESSOR JOHN J. MEARSHEIMER: Thank you, Bruce, and thank you to the organizers of the conference for inviting me to be up here with such a distinguished group of panelists, both ambassadors and my colleague, Bruce Cumings.

Like Ambassador Lilley, I would like to take the long view as well, only I'm not going to look backwards at all. I'm going to look forwards and I want to talk about the question of whether China can rise peacefully. And here I'm talking about what the world is likely to look like in 20 to 25 years. I'm not talking about today or the near future. And my basic argument, as many of you know, is that China cannot rise peacefully. If China continues to grow economically and therefore militarily, there will be an intense security competition between the United States and China, with a serious possibility of war. And my argument is that that's inevitable and I'm going to explain to you why in a minute, but before I do that, I want to make two preliminary points.

First of all, I'm simply assuming that China will continue to grow economically and effectively turn into a giant Taiwan. I'm not making the argument that that will happen. It's a debatable issue

as to what the future looks like on that score. I'm just assuming China will grow. Second point I would make is that the only way you could talk about whether China can rise peacefully is with a theory of international politics.

Lots of folks like to say "I was in Beijing last week and I was talking to person X, Y or Z and he or she told me such and such and that leads me to believe that China can rise peacefully." I would just say that is all utterly irrelevant. The people that you talk to in Beijing today are not going to be in power 20 or 25 years from now. We have no idea who's going to be in power in Beijing 20 or 25 years from now, and we have no idea who's going to be in power in Washington 25 years from now. And we have no idea what any of those people are going to think. Furthermore, how China behaves when it has a lot more power than it has today is very hard to predict. As you know, when you grow muscular, you tend to behave differently than when you're a weakling. So for all those reasons, I think the only way to assess whether China can rise peacefully is with a good theory.

Now I'd like to lay out my argument in three parts. First, I'd like to give you my basic theory of great power politics that talks about rising great powers like China. Second thing I'd like to do is talk a little bit about American history in a way that is commonly not heard here in the United States, and then third, I'd like to talk about the rise of China and how the United States is likely to react to it.

First, on the theoretical side: my basic argument is that states, especially great powers, want to be hegemonic. They want to dominate the international system. And my argument is that they want to do this because it is the best way to survive. Given the structure of the international system, it makes really good sense for a state to be a hegemon. I argue it is impossible for any state to be a global hegemon and in fact, the United States, I think, has gotten itself into trouble in recent years because it's gotten too big for its britches. It's tended to think that it is or it can be a global hegemon. The world is simply too big and there's too much water out there for any single state to dominate all of the globe.

My argument instead is that the best any state can do is to dominate its region of the world and to make sure that there is no other state that dominates its region of the world. Now, why is that the case? The reason that you want to dominate your region of the world is because then no other state is capable of getting at you. Geographically it is very difficult, if not impossible, for another state to invade you because you dominate your region of the world.

Furthermore, if in other regions of the world, where there are great powers, there are two or more great powers, those states have to concentrate on each other and are not free to focus on your backyard. Let me put this in terms of the United States. The United States is the only regional hegemon in modern history. We dominate the Western hemisphere. Because we dominate the Western hemisphere, because there is no other state in this region that could seriously challenge the United States, we are free to roam all over the world and cause all sorts of trouble, in case you haven't noticed.

[Laughter]

If we had a major great power rival in our hemisphere, we would be much more constrained with

regard to projecting power around the world. At the same time, if you're the United States and you're looking at Europe or looking at Asia, what you want is a China that has to worry about Japan; a China that has to worry about Russia; or a Germany that has to worry about France or Russia, because that Germany and that China is then not free to fool around in the Western hemisphere.

So again, my bottom line - and I'm going to explain to you how I got to this bottom line in a minute - my bottom line is that it is an ideal situation for any state to be a regional hegemon, number one, and number two, to make sure that there is no other regional hegemon in the world, to put it in Pentagonese, to make sure we have no peer competitor. Now, how did I get to this set of conclusions?

I start with a simple set of assumptions about what the world looked like. My first assumption is that states are the principal actors in the system and there is no higher authority above states. My second assumption is that all states, and here we're talking mainly about great powers, all great powers have some offensive military capability. It obviously varies from state to state, and it obviously varies over time, but all great powers have some offensive military capability. My third assumption, which is a very important one, is that no state can ever be certain about the intentions of other states.

That's certainly true when you're talking about future intentions. There is nobody in this room who can tell me what the intentions of Chinese leaders will be in the year 2025. There is nobody in this room who can tell me what the intentions of American leaders will be in the year 2025. They may have benign intentions, they may have malign intentions, but you cannot know. So I'm not saying that you can be certain that other states will have bad assumptions or evil assumptions or malign assumptions - I'm simply saying you can't know whether they will or will not. So again, my first assumption is that the system is anarchic. That means there's no higher authority that sits above states. Second, states have some offensive military capability, and third, states can never be certain about the intentions of other states.

Now, these three assumptions create a situation where states fear each other. The reason that states fear each other is first of all, they can never be certain that another great power in the system won't have offensive intentions plus offensive capabilities. If you live next door to Germany, you can never be sure that at some point in the distant future, there won't be a second coming of Nazi Germany. You just can't be sure. Or a second coming of Imperial Germany, if you like. You can never be certain what will present itself with regard to a neighbor.

The other reason that states fear each other is because if you get into trouble in the international system and you dial 911 or to put it in slightly different terms, if you dial for help, there's nobody at the other end. There's no higher authority that can come to your rescue. After all, it is an anarchic system. In a world where states fear each other, they very quickly come to understand that the best way to survive is to be the most powerful state in the system.

Let's just take China for a second. If you're China and you have two choices - one, you can have 20 times as much power as Japan, or two, Japan can have 20 times as much power as you. Which do you choose? This is not even an interesting question. China knows from recent history what

happens or what can happen to you when you're weak in the international system. It's in China's interest to be as powerful as possible. How many Americans in the room go to bed at night worrying about Canada or Mexico attacking the United States?

[Laughter]

The answer is none and the reason is because the power gap between the United States and every other state in the Western hemisphere, especially Canada and Mexico, is very great. And therefore those states would never contemplate attacking us. And if you're interested in surviving in the international system, that's the ideal situation.

So again, my point to you is that in an anarchic system, a system where there's no higher authority, no night watchmen, and where you can never be certain about the intentions of other states, it makes very good sense to be very powerful. It makes very good sense to be the hegemon in the system. But as I told you again, it's impossible to be a global hegemon. The best you can do is be a regional hegemon, number one, and number two, make sure you have no peer competitor.

Now, let me go to the second part of my talk and talk a little bit about the United States of America and how it's behaved over time in terms of the theory that I just laid out to you. The United States started out in 1783 when we won our independence from Britain as 13 measly colonies strung out along the Atlantic seaboard. Between 1783 and the end of the 19th century, the United States, the Founding Fathers and their successors went to great lengths to create the most powerful state in the Western hemisphere. They marched from the Atlantic Ocean to the Pacific Ocean. They murdered huge numbers of Native Americans who got in their way.

They decided that they wanted the Southwest of the United States for us. It then belonged to Mexico. We went to war against Mexico and took it from them. The United States had its eye on Canada throughout the 19th century and one of the principal reasons it went to war against Britain in 1812 and invaded Canada was because we wanted to conquer Canada for ourselves. We also had our eye on all sorts of territory in the Caribbean, but could not manage to take that because of the slavery issue. The fact is that the United States was bent on attaining a very powerful stake in this hemisphere.

But there was a second task that the Founding Fathers and their successors faced, and that is that there were these large European empires in the Western hemisphere - the British empire, the Spanish empire, the French empire. In 1823, President Monroe announced the famous Monroe Doctrine. He basically told the Europeans in so many words: "We're not powerful enough to throw you out of this hemisphere now, but we intend to throw you out of this hemisphere and once we throw you out of the hemisphere, you're not welcome back." By 1898, in the wake of the Spanish/American war, the Spanish empire was eliminated from the western hemisphere and the United States had established regional hegemony. This was done on purpose.

The Founding Fathers and their successors clearly understood that it was imperative for the United States to create a situation where it was by far the most powerful state in the western hemisphere. Why? Because this is the best way to survive. I also told you when I laid out my theory the great powers have a second mission, which is to make sure that they have no peer competitor.

The United States had four potential peer competitors in the 20th century - Imperial Germany, Imperial Japan, Nazi Germany and the Soviet Union after World War II. All four of those potential peer competitors are now on the scrapheap of history and the United States played a key role in putting all four of them there.

[Laughter]

When the Cold War ended, the Pentagon wrote a very famous document, referred to as defense guidance, which was leaked to the New York Times in 1992. It basically said that the United States is number one in the world and it has every intention of remaining number one in the world. When the present Bush administration announced its famous Bush Doctrine in the fall of 2002, much attention was focused on the distinction between preemptive and preventive war, but in that document, it was made clear, as it was in 1992, that the United States was the most powerful state on the face of the earth and it had every intention of remaining the most powerful state on the face of the earth. This is not because the United States is an evil power - it is because the United States understands very clearly, as do other states in the system, that the best way to survive in an anarchic system where you can never be certain about the intentions of other states is to be the number one state in the system.

Now, let me talk about the rise of China and how the Chinese are likely to act and how the United States is likely to respond to Chinese behavior. Many people believe that if China becomes democratic and it gets hooked on global capitalism and it gets embedded in all sorts of international institutions that the United States now belongs to, that the Chinese will behave admirably, that they will never behave aggressively because then they'll look like the United States and as we all know, the United States never behaves aggressively. It always behaves admirably. We are the good guys and of course, if they imitate us, they can only behave as good guys, and in a world populated by good guys, how can you have any trouble?

If you just listen to what I said about how America has really behaved over time, you'll know that's not the case. I do believe the Chinese are going to try and imitate the United States, but they're not going to imitate the story you hear every day from President Bush and other politicians and from the media - they're going to imitate the United States in the ways that I just described, how the United States has behaved over time, which is to say the Chinese are going to try to dominate Asia the way we dominate the Western hemisphere. And they would be fools if they didn't try to do that.

As I said to you before, from a Chinese perspective, it makes eminently good sense to be much more powerful than all of your neighbors. From a Chinese point of view, you want to emulate the United States and make sure that you have neighbors that look like Mexico and Canada, and not neighbors that look like Japan and Russia. This makes eminently good common sense. Furthermore, it is likely that the Chinese in the year 2020 or the year 2025, and here again we're assuming that China continues to grow, it is likely that China will have a Monroe Doctrine of its own. Do you think it's likely that China will welcome having the United States running aircraft and ships up and down its border? Do you think that China will be happy about having a large-scale American military presence right next door?

Well, you know, the United States cannot stand the idea of another great power coming into the western hemisphere and monkeying around in our backyard. Many of us in the room are old enough to remember when the Soviets put troops in Cuba. The United States went ballistic. “Who are these Soviets to think that they can come into the Western hemisphere, and with military force, no less? This is our hemisphere.” Well, what’s good for the goose is good for the gander. Why do you think the Chinese won’t feel the same way?

If you’re Chinese and you have two choices - one, you could have the United States of America’s military parked across the Pacific Ocean in San Diego or Hawaii, or you could have them on your doorstep - which choice is best from a security point of view? The answer is obvious - to have the United States military parked far away. So I would say to you that if China gets to be very powerful, economically and militarily, it will have a very powerful incentive not only to dominate its neighbors, but also to go to considerable lengths to push the United States out of Asia. In other words, I expect the Chinese to imitate the Americans.

Now, let me conclude by dealing with the question of how the United States and China’s neighbors are likely to react to an increasingly powerful China. The historical record is very clear here. The United States does not tolerate peer competitors. We’ve proven this in the 20th century and the Bush administration has recently said essentially the same thing. So what will happen if China continues to grow is that the United States will move in and do everything it can to contain China, much the way it contained the Soviet Union during the Cold War.

Furthermore, China’s neighbors are now and will in the future be increasingly worried about a powerful China. It is no accident that India and the United States have become extremely friendly in recent years. Most Americans of course when asked “Why is that the case?” rely on their old reliable explanation. “It’s because India is a democracy. The United States and India are now friends because India is a democracy.” But of course India was a democracy during the Cold War when the United States and India did not have good relations. So democracy can’t be the explanation because a constant in democracy is a constant in both cases and cannot explain variation.

The variation that explains the change in policy is number one, the end of the Cold War and two, the fact that India and the United States both fear China. So you can see the balancing coalition beginning to form. It’s going to be Japan, South Korea, Vietnam, Indochina, India, Russia and the United States balancing against China, much the way the great powers and the middle powers balanced against the Soviet Union during the Cold War.

The picture I have painted here is a depressing one, without doubt. I wish that I could tell a story that has a happier ending, but the fact of the matter is that international politics always has been and always will be a nasty and brutish business. And any time there is a potential hegemon in Eurasia, it invariably leads to intense security competition. And I think with the rise of China, there will be no exception.

Thank you.

[Applause]

PROFESSOR CUMINGS: Thank you, John. I don’t know if John gave us anything to think

about, so let's move very quickly to Ambassador Wu.

[Laughter]

Thank you.

AMBASSADOR WU JIANMIN: Thank you, Bruce. Let me first express my appreciation to Dan and Alex at Chicago Society for your great initiative. Last night, I was interviewed by the Chinese press. They asked me about my initial impression of this conference. I said this: "I am very pleased to see that young people are interested in U.S./China relations. Young people are our future. When they understand better the dynamic of China/U.S. relations, I think we will have a better future."

Ladies and gentlemen, I am supposed to talk to you about China's foreign policy. China's foreign policy is an extension of its domestic policy. Let me first share a few thoughts with you about China's rise. First, I believe that China's rise is still in its initial stage. Why do I say that? Because in the late 1970s, when Deng Xiaoping came to power and he suggested this to the party, then to the People's Congress - he said that China's modernization scheme is a huge undertaking and we need a good strategy to realize modernization. Then he suggested a three-step strategy to China. According to him, the first step is to double the GDP in 1990 from the 1980 GDP of China. The second step is to double the GDP of 1990 by the year 2000. The third step is to catch up with the average level of industrialized countries by 2050.

What's the result of the implementation of this strategy? We realized the target, the first step, by 1990. Then in 1995, we realized the target of the second step. In other words, we succeeded in quadrupling the 1980 GDP of China in 1995. It means we were five years ahead of schedule. Then we decided to modify this target by adding two words - per capita - by the year 2000, to quadruple the per capita GDP of 1980. Please do not underestimate the weight of these two words because between 1980 and the year 2000, the net increase of the Chinese population was 300 million. By the year 2000, we realized the modified target of the second step.

Starting from 2001, we move into the third step, and the third step is divided into several sub-steps. First, by the year 2020, we have to quadruple the GDP of the year 2000. That implies an average annual growth of 7.3%. From 2001 to 2005, the average annual growth was 9.5%. As you can see, we are on the right track.

Before I reach the second point, I have to add one thing - you know, by last year, China's GDP amounted to US\$2.2 trillion. It's not bad. China's rank is number four in the world. But in terms of per capita GDP, China lags behind more than 100 countries in the world. Last year, per capita GDP of China was only US\$1,700. We have a long way to go. This is why I say China's rise is still in its initial stage.

My second point is the about philosophy of China's modernization, which is "reform and opening up." We Chinese put these two words "reform" and "opening up" together. It's by no means accidental. You know the Chinese debated among themselves for over a century about the root cause of China's drastic fall. Until 1820, China's GDP accounted for roughly 30% of the world's total GDP. But in 1978, China's GDP accounted for 1% of the world. Such a drastic fall. Why?

What's the root cause?

The Chinese debate among themselves. Some say this: "Look, China used to be a leading country in the world, but we were victims of the following aggressions." True, major powers all came to China. But others say, "Look, why are you not in a position to defeat this aggression? Because you are weak. You are weak." That's true. Then others say, "Look, the feudal system in China is too old." True, it is more than 2,000 years old. I think the feudal system in China's the longest in the world. But other people say, "Look, why did the feudal system disappear in Europe and not in China?" You know, then we realized that we were marginalized by the major trends in the world.

In the Ming dynasty, China was open until Emperor Zhu Di. Zhu Di was emperor of China from 1402 to 1424. Under him, Zheng He undertook seven overseas expeditions. When Zheng He went abroad, China had the largest fleet in the world: altogether, 62 vessels. The capacity of the flag vessel - 1,000 men on board. Just imagine: in 1405, China had such a capacity. But afterward, the Ming emperors made a fatal mistake for China. They decided to close the seas. The largest fleet in the world, the Chinese fleet, disappeared in Chinese waters.

So then Deng Xiaoping came to this conclusion: the self-seclusion led China to backwardness and to catch up, we have to open up to the outside world. So opening is crucial for China. That is the meaning of the reform. Reform means we have to change ourselves. Where does China's strength over the last 28 years come from? I think the main reason is we changed ourselves. We decided to change the planned economy. We like to embark on the market economy. We changed a lot in China. We decided to enter the WTO 2001.

I think two things: opening up to the outside world and reform - these two key words - constitute the philosophy of China's modernization. Then I come to the third point on China's rise. I think opening up to the outside world and reform make the sharing, the growth with the rest of the world the most important feature of China's rise. Let me explain it to you.

You know, foreign direct investment played a very important role in China. Let's compare FDI stock in China, Japan and Korea. In 1980, the stock of the FDI in China was US\$1 billion. In Japan, US\$3.2 billion. In Korea, US\$1.3 billion. In 2004, the stock of the FDI in China: US\$560 billion. In Japan, US\$96 billion. In Korea, US\$56 billion. In other words, the stock of FDI in China in 2004 is six times that in Japan and 10 times that in Korea.

What does this mean? The Chinese are sharing their growth with the rest of the world. Look at the relations between China and the U.S. According to JP Morgan's study, in the last 10 years, because of imports from China, high-quality low-cost imports, American consumers saved more than US\$60 billion a year. That means altogether more than US\$600 billion. We are sharing that with you.

You know, people say today there are two driving forces for world growth: the U.S. and China. The GDP of China is very small; it accounts for 4% of the world total. The U.S. GDP is six times that of China, but China is one of the driving forces. Look at Japan: Japan's GDP is twice that of China, but the Chinese contribution to global growth is larger than Japan's. What does this mean? We Chinese are sharing the growth with the rest of the world.

My last point is: where does China go from here? The objectives that China pursues are triple. We'd like to make China a prosperous, democratic and civilized country. By prosperous, we mean we have to catch up to the average level of industrialized countries by 2050. By democratic, we mean that we are committed to the universal values of democracy and human rights. By civilized, we mean that Chinese civilization would be much enriched by the way of opening up to the other civilizations.

My four points are my thinking about China's rise. I'd like to respond to Professor John Mearsheimer. If you listen to him, he fails to understand the philosophy of China's modernization. China's modernization is a huge undertaking. We have a long way to go. There are two preconditions for China's modernization. The first is peace, the second is international cooperation. Should China embark on expansionist behavior, what will happen? These two conditions, peace and international cooperation, would be wiped out. The whole process of China's modernization will come to a halt. The Chinese are not stupid - they will not shoot themselves in the foot.

[Laughter]

[Applause]

I'm coming to the second part of my talk - China's foreign policy. I have several points. First, China's foreign policy is peace-, development- and cooperation- oriented. Why do I say this? Peace, development and cooperation - I think the world needs these three elements. So does my country. Why peace? You know, peace is the precondition for modernization. Please understand the Chinese mentality. We Chinese are facing for the first time a chance to develop ourselves since the Opium War, since 1814. We would not let this chance pass. This is why China's foreign policy is peace-oriented. We stand for peaceful resolution of international disputes.

Development: you know, the world needs development. So does China. More than a third of the world population are poor people, with less than \$2 a day. The whole world is getting smaller with globalization, but more than a third of the world's population is poor. We need to address this issue, the issue of development. And China is facing a lot of problems. I think a solution to these problems lies in development. We need development.

You know, a few speakers mentioned the issue of energy. I'd like to make a point. True, China is consuming a lot of energy, a lot of resources; but be fair. We Chinese consume this energy, a lot of resources not only for ourselves, but for the world. Look at the major manufacturing industries. These giants have moved into China, taking advantage of the cheap labor and also the potential market. Yes, we are producing a lot of things and people say a lot of things are made in China. I dislike this term. It's not made in China. It's assembled in China. That's it.

[Laughter]

Japan used to have the number one trade surplus with the U.S. That position has been taken by China. Why? Japan's major manufacturing giants moved into China, so we took the blame for the Japanese. That's it.

[Laughter]

So this is my first point. In that process, we are very much attached to the development. And also the outside world should understand China's situation.

My second point after peace, development and cooperation. Why do I say cooperation? Because we Chinese understand in a globalized world, no country is able to develop itself in isolation. We need international cooperation. This is why in Chinese foreign policy, we stand for international cooperation. We are in favor of all measures which are conducive to international cooperation.

Getting to Sino/U.S. relations, let me say this: I think we Chinese pay a great deal of attention to trends. A major trend is growing between China and the US. What we are seeing in the past 27 years since we established diplomatic relations in 1979, is that our common interests are growing. Yes, we have differences, but we can see one thing - our common interests outweigh by far our differences.

I happened to be a junior member of the Chinese delegation to come to the U.S. in 1971 after the UN General Assembly vote. Then I stayed on. I spent more than six years in your country, many in New York. In the 1970s, I saw no products made in China in New York. Nothing. Then I come back to your country in 1985, always in New York. I saw some Chinese products, not in big stores, maybe in very small stores. But yesterday I visited Chicago. In many, many shops, many supermarkets, I saw a lot of goods made in China or assembled in China.

[Laughter]

What does this mean? It means our relations are growing on a mutually beneficial basis. Let me address this issue - trade surplus. You said we have a trade surplus of over US\$201.6 billion, but you forget several things. First, sales of American companies in China to the Chinese market in 2004, US\$75 billion. These same companies exported their products to the US in 2004, US\$75 billion. Altogether it makes US\$150 billion.

Two: we pay a great deal in brand fees. You know, 99% of Chinese textile exports have no Chinese brand. You know, the brand fee is much higher than the labor cost. Take the Barbie doll as an example. The market price is \$20. We Chinese got 35 cents. You have got the lion's share. You are not happy. We Chinese got 35 cents - we are happy.

[Laughter]

I don't know.

[Applause]

I don't know. How can we Chinese make American senators and Congressman happy? It's very difficult. Then trade surplus - so what? It comes back to the U.S. to buy your treasury bonds to fill the hole left by your deficit. It's a win-win, but you keep complaining about it.

[Laughter]

That we don't understand. My last point is about Assistant Secretary Rodman's quotation of Deng Xiaoping. You said Deng Xiaoping has a 24-word strategy, but I disagree with you about

the translation of *taoguangyanghui*. You translate it this way: “Hide your capacity and wait for the time.” But there is some contradiction between that quotation and the last sentence. “Do not seek hegemony.” Now, “Wait for the time.” What for? If we do not seek hegemony, you know, to my understanding, *taoguangyanghui* should be translated that way. “Keep a low profile.” What does that mean? Basically speaking, we do not want confrontation with the U.S. This is, I think, the substance of it. “Do not seek hegemony.”

I am contradicting Professor Mearsheimer. You know, look at Chinese history. China used to be the leading power in the world, not only for a few centuries, for more than 10 centuries. At that time, Chinese, we had more superiority: military, technological, cultural and political. We did not use these superiorities to invade other countries. Why should we do it now? It's impossible.

[Laughter]

[Applause]

About hegemony, I'd like to quote Mr. Deng Xiaoping. You know, in 1974, I was at the UN. Mr. Deng Xiaoping went to the UN. He made a very powerful statement. He said “We are opposed to hegemony. Should China one day seek hegemony, I call the people of the world to bring down Chinese hegemony.” This is a very powerful statement. I'm just wondering what leader in the world made such a commitment before the United Nations, before the international community. We Chinese mean it. We do not seek hegemony. We'd like to develop cooperation with all countries in the world.

I thank you.

[Applause]

PROFESSOR CUMINGS: Thank you. Thank you very much. We've run a little bit over time. It's rather difficult to control two ambassadors and a bombs and bullets guy, but we still have 15 or 20 minutes for questions and in their wisdom. So let's just start with the first question. Number one; let's have questions, not statements. And number two; please direct your question to one of the panelists.

QUESTION: I really want to hear Professor Mearsheimer's response to Ambassador Wu, so my question is addressed to Professor Mearsheimer. It's actually a theoretical paraphrasing of Ambassador Wu's question. You laid out a comprehensive picture of great power politics in the past and, based on your general theory, you predict the same to happen in the future. If there is an intervening factor, which is unique and never happened in the past, then your theory may not fare well for a new era. So the possible intervening factor is globalization, which Ambassador Wu has talked a lot about. So do you think that globalization is such a unique factor in history that will change substantially the nature of international politics?

PROFESSOR MEARSHEIMER: Thank you. Couple of quick points: first of all, I think that there's no question that at this point in time, China is interested in peace and it is interested in growing economically. It would be foolish in the extreme for China at this point in time to confront the United States militarily, but again, I'm not talking about the situation today - I'm talking about

what the situation is likely to look like in say 20 or 25 years. And the point I would make is that how a state behaves when it has a great deal of economic and military power is very different than how it behaves when it is effectively a paper tiger. China today is militarily a paper tiger. It would be foolhardy for China to pick a fight with the United States over Taiwan because the United States would win the military battles that ensue.

The question is: how are the Chinese likely to think when they are very powerful? And my argument is that the Chinese will then think very differently than they do now. Finally, the point about globalization: many people argue, and I think Ambassador Wu was pushing in this direction, that globalization or economic interdependence produces peace because everybody gets hooked on capitalism, everybody gets richer and richer and who would kill the goose that lays the golden eggs?

But the problem with this argument is that first of all, it assumes continuing prosperity and it is possible you could have an international downturn, even an international depression. But the much better reason to doubt this theory is that you had significant economic interdependence before World War I. You had globalization within the European context before World War I and there was no depression before World War I - the depression was before World War II. And despite all that economic interdependence and despite the fact that Germany and Russia and England were all getting richer and richer, you still had World War I. So I would not be too sanguine about the consequences of globalization.

PROFESSOR CUMINGS: Yes?

QUESTION: I have two questions also directed to Professor Mearsheimer. The first question is: the jury is still out in Asia Pacific on whether Japan or China will emerge as the dominant power. Now, would you, in the case Japan might rise to become the dominant hegemon in the region, predict an inevitable war between the two countries, Japan and the U.S.?

Question number two is: I agree with you that it's impossible to decide on the intentions of individual leaders, but there are collective cultural intentions that one might infer from analyzing these countries. So is there room for the strategic culture of these individual countries in your theory, especially in light of what Ambassador Wu has talked about? Because in a way, your theory makes perfect sense, but perhaps only in this American-centered strategic cultural framework.

PROFESSOR MEARSHEIMER: Okay, thank you very much. With regard to your first question, there is no possibility that Japan will be a potential hegemon in Asia. Japan faces a very bleak future because it is the most rapidly aging population in the world. Japan now has roughly 126 million people. Most people predict that by the year 2050, it will have 100 million or less people. Japan is not going to be in a situation to dominate Asia the way it was in the 1930s. There's only one country in East Asia that stands a chance of achieving hegemony and that is China, not Japan.

With regard to the second question, when I went to China in the fall of 2003 and effectively gave the talk that I gave to you about 25 or 30 times, I constantly heard Chinese say that "What you don't understand is that we are different. We have this Confucian culture, which basically means

that the Chinese never behave aggressively. It's just you Americans." My response to that was "I've heard this somewhere before. I think it was in the United States. I think we call it American exceptionalism." This is a story that we tell ourselves, "Well, we're always noble, we always behave like the good guy and it's everybody else who misbehaves." And again, as I was saying when I spoke before, if only the rest of the world looked like us, we would live happily ever after because of course, we're good guys and everybody else would then be a good guy.

Well, I would say these cultural arguments about China are as wrong as the cultural arguments about the United States. The fact of the matter is that when you live in an anarchic system, which can be very, very dangerous, you have no choice, if you're interested in maximizing your prospects for survival, but to be as powerful as possible. And the Chinese have not behaved very aggressively in recent years or in recent decades or in recent centuries, largely because they have been so weak. When they are very powerful, I would not be surprised to see that they behave very much the way the United States has behaved in recent times because we are so powerful. So for me, structure not culture is determinate.

PROFESSOR CUMINGS: Next question?

QUESTION: Hi John. I hope you don't mind having a third question targeted at you. Thanks for the articulate speech, but I totally disagree with you.

PROFESSOR MEARSHEIMER: I'm shocked.

[Laughter]

QUESTION: I think your speech is based on the assumption that in a world without central authority, there cannot be any cooperation. I think that assumption is fundamentally wrong and I can cite the book titled Evolution of Cooperation, authored by Robert Axelrod. In his book, he convincingly illustrated that in a world without central authority, cooperation can and does emerge, so if you don't mind, I would turn your question around.

You had a question about, you know, how many Americans go to bed at night worrying about attack from Canadians or Mexicans because they are weak. That makes sense, but let me just turn it around. How many Canadians or Mexicans go to bed at night worrying about a military attack by the Americans tomorrow? The answer is the same: zero. In the prisoner's dilemma model, it's easy to explain. Why? Because it's not in American's best interest to do such a thing. And how do you explain such a thing in your theory?

PROFESSOR MEARSHEIMER: Yeah, those are very good questions. I'll try and answer them as best I can. First of all, I would argue that you can have cooperation, even in a competitive world. I always like to point out when I lecture about the pre-World War II period that Stalin and Hitler got together in August of 1939 and concocted the Ribbentrop-Molotov Pact, where they cooperated to divide up Eastern Europe. And then there was extensive economic intercourse between the Soviet Union and Nazi Germany right up to June 22, 1941, when the Third Reich invaded the Soviet Union.

So you can have lots of cooperation, even in a competitive situation. But my bottom line is that the

world is fundamentally competitive. And it has to be competitive, especially when it comes to the great powers, because of its anarchic nature.

With regard to your point about tit for tat and Robert Axelrod's very famous book about the evolution of cooperation: this is an argument that says that you should take a chance and cooperate and not compete. You should not cheat on the other side. You should cooperate. And if the other side does not reciprocate, if the other side cheats and stabs you in the back, then you retaliate by stabbing it in the back. It's tit-for-tat. The problem with the logic is that in the realm of international politics, you can't afford to let your guard down and have somebody get the best of you in any particular one situation because you may not survive to fight another day.

International politics is a very dangerous business and therefore you cannot afford to play tit-for-tat. You can do that in an economic situation, you can do that in personal relations, but in international politics, it's just too dangerous to let your guard down at any particular point. So I think the theory does not tell you a whole heck of a lot about how relations work among the great powers.

With regard to his very interesting question about Canada, the reason Canadians and Mexicans do not worry about the United States attacking either of those countries today is because the United States has now established hegemony in the western hemisphere and it has no need to worry about Canada or Mexico. You remember what I said in my presentation. I said it was in 1898, roughly the end of the 1800s, the end of the 19th century that the United States established hegemony. And once we had hegemony, we no longer had to worry about Canada, and Canadians no longer had to worry about us.

But the point I would make to you is that if you go back into the 19th century when the United States was in the process of establishing hegemony, Canadians worried greatly about the United States attacking Canada. And just one quick anecdote: I was recently up in Canada talking to folks in the Foreign Ministry and they were explaining to me why Ottawa is the capital of Canada and why Toronto is not the capital of Canada. And it's because of Toronto's proximity to the United States and the fact that Ottawa was much further away.

So the argument that I'm making about Asia and in particular about China is that over the course of the next century, if China continues to grow economically, it will attempt to dominate Asia, much the way the United States in the 19th century worked to dominate the Western hemisphere. And that will scare the living daylights out of almost all of its neighbors, the way we scared the daylights out of the Canadians and the Mexicans, from who we took the Southwest in the middle of the 19th century.

PROFESSOR CUMINGS: Next question?

QUESTION: Do you think that China will present the leading moral example for the world in the lifetime of these University of Chicago students? And if so, why?

PROFESSOR MEARSHEIMER: I'm not going to say anything on this one.

AMBASSADOR LILLEY: I suppose we'd call that question pedantic moralism. That is a feature of the exchanges we have with China. It's been there before and it will always be there. I don't

think a country can be a moral example until it proves that the Great Leap Forward and the Cultural Revolution are not part of the Chinese system. This kind of thing in their past gives people great concern, except for Edgar Snow. Even Teddy White called it the root of madness, and what took place certainly deeply affects the people of Taiwan.

And you can have your moralisms and your commitments to peace and peaceful development and peaceful solutions and people will listen to that, but I think one also has to lift up the rug and take a good hard look at some of the battles that China has had on its periphery. You can look the other way and say that these were all defensive moves, that they were responses to provocations from neighbors, but I think you'd want to say, "Tell that to the Indians" of the 1962 struggle. "Tell that to the Vietnamese" in 1979 with the taking of the Paracel Islands in '74 from a very weak Vietnam.

There is a problem in justifying with words actions that belie those words. And my sense is that since roughly 1979, it has been relatively peaceful and China's tactical moves in the South China Sea, Southeast Asia, and in other areas indicate that the emphasis clearly right now is on a tactic of peaceful development. There's no question about it, but if you take a strategic look, I think you've got to come to grips with other facts, whether you absolve China of any misbehavior, you've got to look at those things and you've got to examine very carefully other areas.

As a practitioner rather than an intellectual, I tend to look at examples, and I've been aware and personally involved in some of those examples, where it wasn't peaceful at all. You can give China every benefit because of the extraordinary things we've been able to do with China in breaking the Soviet Union, in helping them develop the oil industry, and now in the key role the United States plays China in developing the financial sector. Certainly that was front and center when I was in China and talked to the Party.

It was not Korea, it was not Taiwan. It was the financial system. What went wrong with Japan, what did they do wrong? After being the greatest number one power in the seventies to becoming a power in recession, almost permanent recession. What did they do wrong? Our expert said there are two basic things among many that went wrong, and one was the construction industry went wild and it went wild because of subsidies from government, political kickbacks to politicians, and paving over Japan. It was a bubble that went on and on and on.

And the second thing was the bad loans. The brother-in-law gets it, not the company that makes a profit. And this got into the whole Japanese system and of course, when our friend was talking to the Chinese, you can see that if the shoe fits, wear it. The Chinese very quickly sent people to us to sit down and draft papers for the State Council on recommendations that we would make on how they could do things based on our experiences and reading of the Japan situation. One question that was very much on their mind was "How do you control your states?" The problem of dealing with the provinces in China outside the party dictate, that was a real problem. How do you answer that question?

You start with the Federalist Papers, the arguments between Thomas Jefferson and Alexander Hamilton. You fight a civil war over it. You have the whole trust-busting added problems that Teddy Roosevelt ran into. Our ability to manage our states is still in question in some ways, but it

took a long time and I think that China was deeply concerned about the response of the provinces to government desires to slow down construction. And we certainly found that in Lanzhou out in Gansu. There seemed to be a movement in the government saying, “Really, we know what’s best for Gansu.” Anyway, that’s a long story.

PROFESSOR CUMINGS: Ambassador Wu also wants to answer this question. Ambassador?

AMBASSADOR WU: Let me say this: I think it’s too early to tell whether the Chinese will be able to set a moral example for the world. It’s too early, but I believe that in the future, the Chinese civilization will be in a position to give a greater contribution to the world. At this international conference, I’ve been asked a question about the most important feature of the Chinese culture. I say this: we Chinese believe in harmony. It’s very important. And then when I said that, I looked at the audience. They didn’t quite understand what I was saying, so I think it’s better for me to quote a case.

I quote the case of the Jugulian. All the Chinese know Jugulian and Mung Ho. Jugulian used to be the prime minister of the kingdom. He went down to the south of China. He had a battle with the minority general Mung Ho. The first time Mung Ho was caught, Mung Ho was brought before Jugulian. Mung Ho said this: “You played a trick. If you let me go, I’ll beat you next time.” Then Jugulian said, “Okay, you are free. You can go back. Let’s have another battle.” The second time Mung Ho was caught again and he said again, “You played another trick. It’s not fair. Should you let me go, I’ll beat you.” So Jugulian let him go. Again and again until the seventh time.

You Western people, you Americans, you don’t do that. Europeans come to the American continent. I mean vis-à-vis the Indians; the sheriff, the marshal, the general – once they are caught, they are killed. We Chinese don’t do that because we believe the best solution lies in harmony. After the seventh capture, Mung Ho said, “Look, let’s make peace.” Then an advisor of Jugulian said this to him: “Maybe you have to leave some troops here.” Jugulian said, “No, no way. It’s not a good solution.” Other people suggested to Jugulian, “Maybe you have to leave a few advisors here.” Jugulian said, “No.” His kingdom enjoyed peace with this minority for more than 30 years. This shows how we Chinese believe in harmony.

I believe in the world today there are two approaches facing so many issues, so many problems. One is by force, another one is through dialog. We Chinese prefer the peaceful solution of international disputes. I thank you.

PROFESSOR CUMINGS: Thank you. Two quick questions. Why don’t we take both questions and then we’ll have the panel answer them?

QUESTION: I shall direct my question to Ambassador Wu. I believe that there is a recent controversy over a possible multi-billion dollar arms deal with Taiwan that is being supported by President Chen Shui-Bian but is being blocked by the Guomindang. Would China be willing to consider reducing the number of missiles and slow down the growth in its military budget in the spirit of mutual cooperation and harmony if President Chen Shui-Bian were willing to stop insisting on the arms deal? Thank you very much.

PROFESSOR CUMINGS: Okay, thank you and we’ll have the next question and then we’ll go

to the panel.

QUESTION: What kind of relationship would you expect between the US and China in the next 20 to 25 years? Thank you.

PROFESSOR CUMINGS: So I think that question was to John, so let's first hear from Ambassador Wu.

AMBASSADOR WU: On the Taiwan issue, we wish really a peaceful solution, peaceful reunification with the motherlands. This wish is very dear to the Chinese people. The arms deal: I mean we don't want the US administration to give the wrong signal to Chen Shui-Bian to encourage the separatist movement because should the US government encourage that kind of trend by sending a lot of weapons to Taiwan, it's no good. We regard this as sort of encouragement to the separatist movement. Thank you.

PROFESSOR CUMINGS: And our last answer will come from John.

PROFESSOR MEARSHEIMER: Thank you. My argument, as I made clear in the talk, is that over the next 20 or 25 years, if China continues to perform economically the way it has over the past 20 years, the political or the strategic relationship between China and the United States will be increasingly competitive. And I'll put three facts on that: first of all, I think that the United States will form an alliance with a number of Asian states to put together a balancing coalition against China. I think that will happen and I think that will make the Chinese very angry and they will go to great lengths to resist it.

Secondly, I think the problem with regard to Taiwan will only get worse with the passage of time. The Chinese are deeply committed to getting Taiwan back, but both the United States and the Japanese will tell you in private that Taiwan is of great strategic importance and there's no way that the United States and Japan in an intense security competition with China are going to allow China to get Taiwan back, and that will be a source, I believe, of significant tension.

And the third source of tension will be the competition over oil. It's very clear that the demand for oil from the Middle East is skyrocketing and the scenario we're describing is likely to continue to skyrocket over the next 20 years, and that China is likely to have interest in securing access to oil from the Middle East. This means that China is going to continue to lay pipelines and roads in Burma and in Pakistan. As you all know, the Chinese are helping the Pakistanis to build a Naval base at Gwadar. The Chinese will eventually build the blue-water navy and sail into the Indian Ocean and they'll go to great lengths to make sure that they have access to Middle East oil, the same way that the United States does that.

So I would argue that there will be an intense security competition between the United States and China, as well as India, Singapore and a handful of other countries regarding oil from the Middle East. So there are a number of good reasons to think that in the decades ahead, if China continues to grow, the competition between the United States and China will grow as well.

PROFESSOR CUMINGS: Ambassador Lilley has a comment too.

AMBASSADOR LILLEY: I just wanted to congratulate our Chinese friends as being world-class diplomats. The Hu Jintao trip was a smash. They went to Seattle and they sewed up that great powerful American constituency, American business. It was a love feast.

[Laughter]

Bill Gates, Boeing, Starbucks - it just went on and on and on with superlatives. Then they come to New Haven and they sign up that other great powerful American constituency - the intellectual academic community.

[Laughter]

And it's a love feast in Spring Hall - everything goes right. Commitments are made. In between, there's a stop in Washington, DC.

[Laughter]

And with all due respect to my friends in Washington, the Keystone Cops take over.

[Laughter]

And you have a series of gaffes sandwiched between the powerful, huge business community and the very powerful, influential academic community. Sandwiched in there is this little thing in Washington - yattering and looking for areas to challenge China. Actually, in Washington, nothing is accomplished. The purchases made of soybeans, planes, Lenovo, and software, take place in Seattle and other places. And the deals with the academic community that could spill over into the whole community are made in New Haven. The trip was a tour de force. Congratulations.

PROFESSOR CUMINGS: Let's thank our panelists for a very interesting presentation.