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## # Part A : A History of the (almost) Inevitable Future:

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### I. The fallacy of unresisted aggrandizement

1.

It is now widely believed that the future of world politics will be shaped by the rise of China, that is by the continuation of its phenomenally rapid economic growth<sup>1</sup> – even if less rapid eventually – and what comes naturally with such an immense growth in economic capacity, from ever-increasing influence in regional and world affairs, to the strengthening of China's armed forces, already the largest in the world numerically.

2.

These expectations are certainly consistent with China's economic performance since the death of Mao in 1976: its economy started to grow rapidly in the 1980s, contractions since then have been neither long nor severe, and there are no signs of structural deceleration even now, after more than three decades of rapid economic expansion. Recent gross domestic product increases have exceeded 9% annually -- that is roughly twice the maximum sustainable growth rate of the US economy, and almost three times as much as the equivalent rate for mature European economies -- let alone the dismal growth rates actually achieved in the post-2007 crisis years.

3.

There is no inherent reason, moreover why China's economic growth should decelerate significantly in the medium term. In rural China -and

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<sup>1</sup> Not an uninterrupted continuation, however. A contraction may be imminent (June 2011) if the central government succeeds in its current effort to contain the frenzy of debt-financed construction and infrastructure spending by local authorities. The average productivity of these investments may be very low (even casual travel reveals much empty housing, an abundance of under-utilized infrastructures, and lots of White Elephants), but in any case the resulting debts cannot keep growing-- they have recently been estimated at between 15.4 trillion and 20.1 trillion yuan, or 40% to 50% of China's 2010 GDP (!). Victor Shih, "China Needs a Credit Crunch" . *Wall Street Journal* , Opinion Asia, June 29, 2011 .

that includes patches and pockets not very far from major cities-- vast numbers are still grossly under-employed in traditional agriculture, in the lowest rungs of commerce, and in humble personal services. As the rural poor find new employment in manufacturing, even of the most manual kind, in construction, and in modern better-capitalized services, their productivity increases sharply and with it, China's gross domestic product. In addition, there is of course the organic growth of China's modern economic sectors, many of which remain highly competitive and can therefore grow rapidly, even as global markets grow more slowly.

4.

As for China's military expenditures, in recent years they have reportedly increased as rapidly, or almost as rapidly, as the economy as a whole with estimates of the order of 9% per annum in real terms-- a phenomenal rate of growth at a time when military expenditures worldwide, including those of the US but for war costs, have been mostly stagnant or declining<sup>2</sup>.

5.

The Peoples Liberation Army (*Rénmín Jiěfàngjūn* 人民解放军, PLA) has thus been receiving an expanding torrent of resources-- and the days are past when additional resources could not yield much additional military strength because they were mostly absorbed by belated remedies for long-neglected basic necessities.

6.

Pay and benefits have now increased to levels sufficiently competitive to maintain desired end-strengths in spite of expanding civilian employment opportunities<sup>3</sup>; the rehabilitation or outright replacement of grossly inadequate or decrepit barracks, bases, depots and other installations has

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<sup>2</sup> For Fiscal Year 2011, the Department of Defense *requested* a total of \$708.3 billion, only a 1.3 percent increase over Fiscal Year 2010 in spite of \$159.3 billion for operations in Afghanistan and Iraq.

<sup>3</sup> But AMS contacts (e.g. (b) (5) ██████████, then Director of the Research Guidance Department, now a consultant) bitterly complained that civilian officials could augment official salaries with "corruption"; and also that enlisted end-strengths were kept up by accepting low achievers. On the other hand, the officer corps could draw on high-achieving youth from families too poor to enroll in civilian universities.

been largely accomplished, while maintenance facilities, equipment and tooling are now at least reasonably adequate and much better than that in many cases.

7.

With past neglect remedied, in spite of a great deal of supplier fraud (even attentive civilians purchasing on a much smaller scale are regularly defrauded by false labeling, product imitations, and spurious service commitments), and also outright misappropriation by its own officers<sup>4</sup>, the PLA has been able to acquire new platforms, weapons, munitions and ancillary equipment in rising numbers for every branch of every service, and to build or expand facilities of every kind while concurrently increasing its training and operating tempo.

8.

All this amounts to rapid and all round military aggrandizement, of the kind last seen in the US sixty years ago during the years of the Korean-war rearmament, and in the Soviet case from the later 1960s onwards. In both cases, vigorous qualitative advancement –also present in more relaxed times –was coupled with numerical increases in the weapons and combat personnel of every service; as the Marxists like to say, that quantitative increase was large enough to generate its own qualitative effects as well, compounding the overall result. (That is why, e.g. US Air Force capabilities did not merely increase from 1950 to, say, 1960 but instead became altogether different and far greater).

9.

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<sup>4</sup> Minnie Chan March 10, 2011 *South China Morning Post* "PLA delegates go into battle against improper spending". Extract: "The auditing programme that checked nearly 10,000 military officials in 126,700 units from 2006 to last year [2010] found nearly 2.8 billion yuan of inappropriate funding on construction projects, and 1.5 billion yuan was overspent on purchasing equipment..", <http://www.ftchinese.com/story/001039153/en>. But these are small numbers and refer to errors, not fraud. A Bank of China report published on 2011年06月17日 estimated that 17,000 party cadres, police, judicial officers and state-owned enterprise executives fled the country (up to 2008) taking an estimated Rmb800bn (\$123.6bn) with them. PLA personnel are not listed but small-scale misappropriation is common. The 2006 US\$ 15 million Vice-Admiral Wang Shouye case (he was one of five deputy navy chiefs) is atypical.

It is the straightforward assumption that economic and military growth will persist at a rapid pace, along with the presumption that China's global influence will also increase in step, that generates the now widespread expectation that China is bound to emerge as the world's predominant power in the foreseeable future, eclipsing the United States<sup>5</sup>.

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Yet that must be the least likely of outcomes, because it would collide with the very logic of strategy in a world of diverse states, each jealous of its autonomy. Some states, moreover, are culturally predisposed and politically structured to try to influence other states rather than to be influenced.

11.

It is true that the three-sided growth of China's economy, military strength and political standing was perfectly complementary in the 1980s and 1990s (after the 1989 interval), but that was only so because China was not yet rich, or strong, or influential by American standards, or Japan's for that matter, and still remained mostly an exotic offstage presence for Europe and Latin America.

12.

But adversarial reactions are bound to be evoked as economic and military growth continue beyond the levels that are accepted with equanimity by other powers –that is beyond the culminating level of unresisted Chinese achievement within each different political context.

13.

With that natural reaction underway, only radically changed circumstances inside or outside China could increase the level of Chinese power that is unresistingly accepted, whether by the democratic transformation of China itself and the consequent legitimization of its government; or, because more pressing threats convert China from a

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<sup>5</sup> Not only on the part of the malevolently tendentious, such as Martin Jacques *When China Rules the World: The End of the Western World and the Birth of a New Global Order* (London: 2010). Long a British Communist militant, Jacques assuages his bitter disappointment at the Soviet collapse by gleefully anticipating the downfall of the West as well.

threat to a desirable ally for the country in question (Pakistan is the exemplary case; as China's power increases it becomes a yet more valued ally).

14.

Democratization would not nullify the strategic significance of China's rise and the reactions it must evoke – after all, even the very democratic United States had evoke resistance simply because it is very powerful , and from its own good allies on occasion.

But if democratization did take place and China's policies were no longer formed in total secrecy by a few party chiefs; and if its policies were no longer so largely focused on the maximization of every form of power, there would certainly be less concern over China's rise, and less resistance by neighbors and peers. Democratization would not suspend the logic of strategy as growing power evokes growing resistance, but it would raise the culminating level of un-resisted Chinese achievement .

15.

As it is, China's rise has already passed that level, whether in the economic, military or political sphere, activating the paradoxical logic of strategy <sup>6</sup> through the reactions of all the other powers large and small that have started to monitor, resist, deflect or counter Chinese power.

No matter at what level, from a knife fight in an alley to the multi-dimensional and multi-lateral engagements of grand strategy in peacetime, the logic is always the same: action –in this case the growth of power--evokes reaction that need not stop the action, but which does prohibit its simple, linear progress.

In this case, because of the mounting opposition it is evoking, China's continued and rapid growth in economic capacity, *and* military strength , *and* regional and global influence, cannot simply persist. If Chinese leaders ignore the warning signs and forge ahead, the paradoxical logic will ensure that instead of accumulating more power they will remain with less, as resistance mounts.

16.

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<sup>6</sup> See Edward N. Luttwak *Strategy: The Logic of War and Peace* (Harvard University Press; Revised 2002)

Far from being the inevitable result of the simple prolongation of recent trends, China's emergence as the world's predominant power through an uninterrupted and concurrent rise in economic capacity, military strength and global influence would require the intervention of improbable events<sup>7</sup>. The logic of strategy itself presages the slowing down, or outright interruption, or even partial reversal of China's rise, with the former more likely if Chinese policies are more emollient, and the latter if they are more determined.

17.

None of the above presumes any form of provocative or threatening behavior by the Chinese. It all derives from the reactions necessarily evoked by the very rapid growth of a power that is very great to begin with. Given China's dimensions, its rapid growth is destabilizing in itself, regardless of its conduct. Recent suggestions that China is in need of an Otto Von Bismarck to direct its foreign policy in less counter-productive ways therefore miss the point: not conduct but the growth in all-round magnitude is the essential problem.

Riders in a crowded elevator cabin into which an extremely fat Mr. China has just stepped in, must react self-protectively if he is getting fatter at a rapid clip, squeezing them against the sides—even if he is entirely unthreatening, and indeed affable. True, the crowded elevator cabin already contained an even fatter, louder and frequently violent Mr. America, but simply because he had long been a fellow rider, almost everybody had come to a satisfactory accommodation with his noisy bulk over the decades, with the exceptions --Cuba, Iran, North Korea, Syria, Venezuela-- themselves an advertisement for Mr. America's respectability. Most important, Mr. America is not rapidly becoming fatter, thereby undermining past accommodations and compromises, and it is also very helpful that no sudden threats are to be feared from him, because of his mostly open democratic decision processes.

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<sup>7</sup> Admittedly one did occur in March 2011: the most powerful earthquake in Japan's history, which happened to come at a time when the public was already demoralized by prolonged economic stagnation and the perceived lack of adequate political leadership.



## II. Premature assertiveness as an accelerator

1.

As it happens, China's recent conduct has been far from affable with a number of countries, and with some it has even been threatening in some degree.

2.

In a process disregarded at the time but quite evident in retrospect, the 2008 financial crisis, the seeming downfall of the "Washington consensus" and the seeming vindication of the "Beijing consensus", greatly emboldened the Chinese ruling elite, inducing a veritable behavioral shift that became manifest in 2009-2010. There was a sudden change in the tone and content of Chinese declarations, which became sharply assertive on many different issues, from monetary policy to the relevance of Western democracy. More strikingly, mostly dormant territorial disputes were loudly revived with India, Japan, the Philippines, and Vietnam – and all more or less at the same time, amplifying the effect. Actual incidents duly followed with the vessels or island outposts of Japan, the Philippines and Vietnam, with successive episodes that have continued till the present writing.

3.

Because no discernable policy objective was served, or could have been served, by verbal outbursts and actual incidents which did nothing to substantively advance China's territorial claims,, some expert observers concluded that China's rulers had been unhinged by the sudden rise in their fortunes, with full-blown hubris displacing their earlier preference for prudent conduct presented in a distinctly modest manner. Official statements of no practical effect but of remarkable arrogance, can be cited in support of this interpretation. Xi Jinping 习近平, then Hu Jintao's designated successor was thus recorded in Mexico in February 16, 2009 : "There are a few foreigners, with full bellies, who have nothing better to do than try to point fingers at our country."<sup>8</sup>. Even a lowly Foreign Ministry spokeswoman, Jiang Yu (姜瑜), was casually dismissive on March 3, 2011 when foreign journalists complained about being attacked

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<sup>8</sup> <http://www.telegraph.co.uk/news/worldnews/asia/china/4637039/Chinas-next-leader-in-hardline-rant.html>

and harassed, and asked what law applied to them: “Don’t use the law as a shield” .<sup>9</sup> The Foreign Ministry in particular seems to specialize in arrogance, with Vice Foreign Minister Fu Ying (傅莹), an assimilated Mongol and no doubt a descendant of Genghis Khan, something of a champion amidst much competition from her colleagues .

4.

An alternative explanation is that the various institutional protagonists of assertiveness in general, and of the territorial quarrels specifically, may have their own aims that are purposeful for their own institutions and/or for themselves personally, even if Chinese interests as a whole suffer the consequences. For example, Foreign Minister Yang Jiechi 杨洁篪 gave arrogance a bad name at the July 2010 17th ASEAN Regional Forum in Hanoi by declaring that maritime disputes between China and member states (including Vietnam, the host) could not be negotiated multilaterally – and this at an multinational forum (!) : “ Turning the bilateral issue into an international, or multilateral one would only worsen the situation and add difficulties to solving the issue”; Yang Jiechi went on to deny that anything was amiss : "nobody believes there's anything that is threatening the region's peace and stability" <sup>10</sup>. ‘The only result was to drive Vietnam as well as the Philippines into the arms of the US, but it did gain “leftist” (=nationalist) support for the Foreign Ministry (*Zhōnghuá Rénmín Gònghéguó Wàijiāobù* 中华人民共和国外交部), and no doubt for Yang Jiechi personally.

In the Chinese system, policy is made by party leaders in conclave so that the Foreign Ministry is merely an executive organ of scant importance. But it too evidently has enough freedom of action to pursue its own aims, under the rather loose form of collective leadership that has prevailed in the time of Hú Jǐntāo 胡锦涛 <sup>11</sup>.

5..

A third explanation is that China’s leaders believe that assertive , even threatening language and provocative action has a beneficial effect by inducing others to negotiate long-unresolved outstanding issues, and to

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<sup>9</sup> [http://www.economist.com/blogs/banyan/2011/04/law\\_china](http://www.economist.com/blogs/banyan/2011/04/law_china)

<sup>10</sup> *Wall Street Journal*, Asia, July 26, 2010.

do so in a conciliatory manner ; this belief, moreover, has deep cultural roots. Both are explored below (also in Part B) but what is certain is that the post-2008 behavioral shift noted by many observers did in fact occur, even as the conciliatory and would-be reassuring official doctrine of “Peaceful Development” (*Zhōngguó hépíng fāzhǎn* 中国和平发展, better known under the original title “Peaceful Rise” *Zhōngguó hépíng juéqǐ*, 中国和平崛起), presented by Hú Jǐntāo’s official senior advisor Zheng Bijian <sup>12</sup> was not repudiated or amended.

6.

On the contrary, strategically conciliatory policies were officially reaffirmed, and at great length (7,000 characters) by the appropriate senior official, State Councilor Dai Bingguo 戴秉国. <sup>13</sup> ( Though the very length of that defense of the official “Peaceful Development” policy raises questions about the magnitude of the “leftist” =nationalist, and military opposition that is calling for even more assertive policies). Finally on March 31, 2011, Zheng Bijian with his personal authority newly reinforced by his very prominent role in Hú Jǐntāo’s January 2011 Washington visit, issued a declaration to the doyen of foreign correspondents in Beijing (Francesco Sisci) that started by recognizing that China’s rise was causing anxieties, requiring a re-statement of Peaceful Rise <sup>14</sup>.

7.

By the end of 2010, the earlier behavioral shift had seemingly given way to another in the opposite direction , with fence-mending official visits, charm offensives, soothing declarations, and import and investment promises where Chinese exports had aroused particular resentment .

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<sup>12</sup> See Annex 2 : The Rise and Fall of “Peaceful Rise”.

<sup>13</sup> Dai Bingguo, “Adhere to the Path of Peaceful Development,” official Xinhua News Agency translation of: *Janchi zou heping fazhan zhi lu*. Waijiaobu wangzhan, 6 December 2010.

<sup>14</sup> Il Sole 24 Ore . March 31, 2011 Zheng Bijian with Francesco Sisci: *Ordine, riforme e apertura all'Occidente: il teorico di Hú Jǐntāo ci spiega la nuova ideologia della Cina*.

The two most notable episodes of this phase were the December 15-17, 2010 visit of Prime Minister Wēn Jiābǎo 温家宝 to India in the company of some 400 businessmen and managers, and the visit of President Hú Jǐntāo's to the United States that began in Washington on January 19, 2011.

9.

Nothing much went wrong with either visit, but neither achieved anywhere near the intended effect – and a great deal had been expected from Hú Jǐntāo's visit, as this author learned beforehand from its chief architect.

[ Note: Zheng Bijian, who accompanied Hú Jǐntāo to Washington and was second in precedence at the official dinner, and who shared the proposed 10-point agenda with me in a prior Beijing meeting, emphatically insisted, although perhaps with more anxiety than confidence, that the Chinese side was ready to do its part in the urgent task of stopping the erosion of China-US cooperation and goodwill; see Annex below) .

10.

Chinese expectations of what the two visits could achieve – greatly over-optimistic, because of the anxieties they themselves had caused -- were symptomatic of a pronounced insensitivity to foreign sensitivities which is here labeled “Great-State Autism “ -- of which the Chinese strain is especially virulent , as befits the most populous of all states <sup>15</sup>.

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<sup>15</sup> So long as China's population outnumbers India's – even if the Han will not be outnumbered.

### III. "Great-State Autism" defined.

1.

In all great states, there is so much internal activity that leaders and opinion-makers cannot focus *seriously* on foreign affairs as well, except in particular times of crisis. They do not have the constant situational awareness of the world around them that is natural in smaller polities. After all, individual sensory and cranial capacities of are much the same in smoothly operating states of a few million people, and in mega-states such as the Russian Federation, the United States, India and China, whose leaders face internal urgencies if not emergencies each day somewhere or other, in addition to their ordinary decision-sessions and ceremonial obligations.

2.

The results is not mere inattention. On the contrary, it is not only possible but common for great-state leaders and even entire ruling elites to fail to focus *seriously* on foreign affairs, even while devoting excessive attention to them, if only as welcome diversion from the harder choices of domestic politics, in which almost any decision that pleases some must displease others -- and not mere foreigners whose political support will not be missed.

3

Great-state autism is worse than inattention because in the absence of serious and earnest attention, decision-makers will not absorb in-depth information with all its complexities and subtleties, even if it is offered to them (which is unlikely: when Intelligence officers adhere to the rule that their highest duty is to tell top leaders what they do not want to hear, their careers suffer). Instead, decisions on foreign affairs are almost always made on the basis of heavily simplified, schematic representations of unmanageably complex realities, which are thereby distorted to fit neatly within internally-generated categories, expectations and perspectives. Only thus can a Massachusetts or Michigan politician who would never consider himself qualified to pronounce on the local politics of, say, Mississippi, ("too different, do not know the local pols...") unhesitatingly state his view of what will work best in Afghanistan, Iraq or Libya.

4.

That no doubt is how it came to pass that in Beijing highly intelligent people could persuade themselves that Wēn Jiābǎo's visit to India would offset a whole slew of fresh resentments and anxieties aroused by recent Chinese initiatives <sup>16</sup>, by offering alluring prospects of profitable business dealings with China.

In this case, as so often, the schematic representation took the familiar form of utterly misleading mirror-imaging: while for many Chinese China's business is indeed business, India's business is India, because economic interests within it are not strongly expressed in its foreign policy, which is dominated by the concerns of its professional diplomats, and by the stances of the more ideological of its elected politicians (were that not so, US-Indian relations could hardly have evolved as they did from 1947 until quite recent years).

The bounties promised by Chinese business executives and entrepreneurs to their Indian counterparts were mostly irrelevant to officials and politicians who might sometimes be moved by private economic gain but not by national economic interests, and who know in any case that they cannot make any territorial concessions whatever, without promptly losing their offices if not more.

5.

That may be hard to understand for Chinese leaders, who have conceded territory, or at least given up long-asserted territorial claims, rather liberally in recent years to settle frontier disputes with neighboring countries, including Afghanistan (the Chinese side conceded 100% of the claimed territory), Burma/Myanmar (82%), Kazakhstan (66%), Kyrgyzstan (68%), Laos (76%), Mongolia (65%), Nepal (94%), North Korea (60%), Tajikistan (96%) and Vietnam (50%). With the Soviet Union

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<sup>16</sup> The revival of the Chinese territorial claim for what is now the Indian state of Arunachal Pradesh (see below), the *de facto* de-recognition of Indian control over Jammu-Kashmir by the refusal to stamp visas on the Indian passports of Kashmir-born applicants, and China's supply of a nuclear reactor to Pakistan are not unreasonably viewed as "reckless" by Indian senior officials (private source).

and then the Russian Federation successive negotiations were also concluded successfully on a roughly 50/50 basis.<sup>17</sup>

6.

Evidently from the Chinese point of view, the territories in question were viewed pragmatically as negotiable, and because they were neither large in relative terms nor significantly valuable in themselves, while their populations were either very small, or mostly non-Han, or both, the concessions were made. One Chinese aim was to clear the way for trans-border trade, economically far from important on a national scale, but politically important locally, to enrich and stabilize restive non-Han borderland populations; a parallel aim was to remove an obstacle to security cooperation in regard to those same populations, which mostly extend into the neighboring countries. To ensure that frontier guards on both sides would cooperate to repress dissident non-Hans, it was necessary to define and demarcate the frontier in question amicably, and the Chinese were willing to pay the price.

7.

Business-like bargaining solved territorial disputes with twelve of China's neighbors by dividing up disputed tracts of land because they were essentially property transactions for the Chinese point of view, and the lands in question were not economically valuable.

8.

For India on the other hand - the actually existing India as opposed to its schematic representation - frontiers have an entirely different meaning that allows no room at all for pragmatic bargaining to divide disputed territory.

That is so because India's borders derive exclusively from a one-time colonial inheritance from the British that lacks any *Indian* historical or organic legitimacy whatever.

Therefore any subtraction from the original 1947 inheritance would compromise the legitimacy of the whole.<sup>18</sup>

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<sup>17</sup> M. Taylor Fravel *Strong Borders Secure Nation: cooperation and conflict in China's territorial disputes*. Princeton University Press 2008. Passim; and summary : Table 1.3 pp.46-47.

The British had arbitrarily excluded Burma, Ceylon and Sikkim from the Indian Union before conceding its independence, while including Assam which was no more Hindu, or Hindi-speaking or "Indian" in any other way than Ceylon or Burma -- from which Assam had been taken away.

The object of China's territorial claim, the state of Arunachal Pradesh, was itself cut out from the Assam inheritance, as were the states of Nagaland, Meghalaya and Mizoram, and if one were to be given up as not belonging to India, as "non-Indian" in effect, so might the others.

9.

This legitimacy nexus has prevented successive Indian governments of different political complexions from offering any territorial solutions for the unending conflict in Jammu-Kashmir: territory in particular is inseparable from the legitimacy of Indian sovereignty over the whole. For the same reason, no conceivable Indian government could concede any part of Arunachal Pradesh to China. But evidently Beijing decision-makers are not focusing on India as it actually exists, but instead operate on the basis of a schematic representation of an India that is sufficiently China-like to have a pragmatic attitude towards the disposition of its territory.

10.

Chinese analysts would no doubt point out that Americans are also subject to great-state autism in general, and to mirror-imaging in particular. Moreover, it is arguably the mirror-imaging of a narrow elite of urbane secularists very unrepresentative of Americans as whole. Religious agitations, for example, are routinely interpreted by this elite as opportunistic expressions of political or economic dissatisfactions, rather than as outbursts of religious distress at the intrusions of modernity -- a distress shared by the many church-going non-elite Americans.

11.

Russians likewise will almost always interpret the motives of others in almost exclusively Russian terms. The classic example was the post-Cold War enlargement of NATO through the admission of the ex-Communist satellites, and of the three ex-Soviet Baltic states.

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<sup>18</sup> Unlike the addition of Goa, Daman, Diu, Dadra and Nagar Haveli, all seized from the Portuguese by 1961, and of Sikkim taken from its ruler in 1975



For the Americans, it was the fastest and cheapest way of stabilizing fragile new democracies (EU admission procedures being necessarily much slower) , and the Russians themselves were expected to participate in the process inasmuch as they had already been invited to cooperate within NATO, which could no longer be anti-Soviet, and had no reason to become anti-Russian.

For the Russians, on the other hand, that is almost all policy-elite Russians known to this author in person or through their writings <sup>19</sup> , NATO 's enlargement was a calculatedly hostile American move, a forward deployment towards to Moscow fervently desired by "The Pentagon" , inherently offensive in intent , and perfidious too , because the withdrawal of Soviet forces from eastern Europe had been preceded by, and predicated on, unwritten US promises that NATO would not expand eastwards (true enough).

Of lesser examples of Russian-mirror imagining of foreign motives there is no end, and it is revealing that within these schematic representations of more complex realities, the essential building block is the attribution of deeply malevolent motives. The common Russian presumption is that foreigners would want a weaker, poorer, less secure, less happy Russia, that benevolent words, even deeds are mere camouflage. That is the sub-text of the daily presentation of international news in Russian media--and not only in those under direct official control. That authoritarian leaders are obviously well served by such misrepresentations does not mean that they themselves see matters differently.

12.

Chinese leaders are necessarily even more Sino-centric, and thus even more autistic than Russians are Russo-centric, or the Americans are US-centric, in the first instance simply because their own internal realities are not only greater but also much more dynamically unstable: on any given day, somewhere in China there is an emergency underway that is important enough to engage the top leaders, be it an earthquake, a major

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<sup>19</sup> As a co-signatory of the Susan Eisenhower/ Roald Sagdeev anti-enlargement declarations , I was much exposed to the Russian literature on the subject. 2011 contacts in Moscow and St Petersburg conferences reveal no change in attitudes towards NATO expansion.

flood, ethnic rioting, an abrupt economic shift (e.g. on this day: a sudden upsurge in food prices), or an actual or imagined internal political threat. 13.

Abundant evidence shows that the leaders of the Chinese Communist Party (CCP) evaluate the gravity of domestic political threats in an extremely prudent manner, if that is the right adjective given the wild exaggeration of so far modest threats to the stability of the regime. Or perhaps it is the apparatus of state security that habitually inflates internal threats. Either way, the top CCP leaders can easily become engaged and be absorbed by them – and even more by the chain-reactions initiated by their own exaggerated repressive moves. In the spring of 2011 for example, extremely feeble attempts to import the North African (“Jasmine”) model of popular insurgency triggered by social-media appeals to gather and demonstrate, resulted in major disruptions. While those attempts did not go beyond a few social-media communications, large numbers of very belligerent riot police appeared to confront non-existent demonstrators in the country’s most central venues, notably Beijing’s Wángfǔjǐng 王府井, where innocent passersby and families of mostly Chinese tourists were brusquely ordered to leave. Nor did the absence of any perceptible demonstrations dissuade arrests of “usual suspects” all over China, known human-rights’ activists, rule-of-law campaigners, free trade-union would-be organizers, and political liberalization advocates. That in turn activated the lawyers who habitually try and mostly fail to defend the usual suspects-- and the authorities reacted by arresting many of them as well. On top of that, harsh warnings were issued to all sundry to keep out of trouble. To reinforce this excess of precautionary intimidation, China’s most prominent example of an independent-minded yet establishment artistic figure, Ai Weiwei 艾未未, was arrested in a totally unnecessarily dramatic manner at Beijing’s airport as he was about to board a flight to Hong Kong. That in turn triggered Ai Weiwei protests all over the world (one spoiled China’s expensive investment in a Biennale pavilion in Venice), adding to the real political costs of the imaginary “Jasmine” threat. 14.

Thus when there is no earthquake, flood, major riot or abrupt economic problem<sup>20</sup>, to divert the attention of China's leaders from the complexities of the outside world they create their own disturbance by over-reacting in extreme degree to very minor political threats, indeed the mere auto-suggestion of non-existent threats.

This pattern of conduct is highly significant because it reflects a permanent predicament: the structural insecurity of the leaders of the CCP, whose power has neither democratic legitimacy, nor the ideological legitimacy that their predecessors could claim, regardless of the objective merits of that ideology. Attempts to revive it with commemorative mega-films and officially organized choral singing have had no perceptible positive effects for the CCP, while they do evoke the ridicule and contempt of the educated.

The leaders evidently realize their predicament: there is visible evidence of their insecurity in the pervasive protective measures visible in and around Beijing. In Moscow and Washington also security measures have become very visible in recent years – but in Beijing they are plainly intended to counter mass uprisings, as opposed to isolated acts of terrorism as in Moscow and Washington.

15.

Yet more striking is the visible evidence that China's top leaders mistrust their own guardians. It can be found outside the main entrance of the Zhongnanhai 中南海, a vast walled compound in the heart of Beijing just west of the Forbidden City, which houses sundry meeting pavilions,

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<sup>20</sup> Today (June 30 2011) for example it was announced that average pork prices had reached 25 yuan /kg, a 70% increase in 12 months; the average price of pigs sold for slaughter reached 19.26 yuan/ kg, an 85% increase. When food budgets are squeezed, income inequalities acquire added political significance. <http://www.scmp.com/portal/site/SCMP/menuitem.2af62ecb329d3d7733492d9253a0a0a0/?vgnnextoid=81b8ddc6e4cd0310VgnVCM100000360a0a0aRCRD&ss=China&ts=News>. Concurrently, ethnic riots continue in the Inner Mongolian Autonomous Region: the killing of a traditional herder ([http://smhric.org/news\\_378.htm](http://smhric.org/news_378.htm)) has opened a wider contention over Mongol control of Mongol lands.

party offices and leader residences around two large ponds. It is in effect China's Kremlin or White House if very much larger (though the current top leader Hu Jintao does not actually live there, reportedly--that too is a state secret, significantly).

The evidence is manifest at the traditional curved gate that masks the main entrance on Chang'an boulevard ---Beijing's central axis: it is guarded by three entirely separate police forces wearing different uniforms, black, green and white <sup>21</sup>, none of them visibly armed, with the different officers of each actually on the scene, who answer to different offices in different ministries.

16.

Obviously none of the three police forces is fully trusted, and with good reason: those policemen also see luxurious displays of every kind every day of their lives while they themselves must survive on small salaries in the relatively expensive Beijing area. The potential for disaffection is obvious, and there is oblique evidence that it was already actualized at least once. Even though the Zhongnanhai's security guard had been greatly upgraded ever since the vast 1989 demonstrations in the Tiananmen square just down the boulevard, on April 25, 1999 its denizens woke up one morn to find some 10,000 devotees of the Fǎlún Dàfǎ 法轮大法 organization (or Fǎlún Gōng 法轮功) holding hands in silent protest --a gathering quite impossible without extensive police complicity, or at least knowing passivity.

17.

In any case, outsiders oblivious to the acute political insecurity of CCP leaders overlook an important source of their conduct <sup>22</sup>, and a major reason for their autism towards the outside world.

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<sup>21</sup> Black : ordinary local police of the Ministry of Public Security *gōng ān bù* 公安部, normally armed with 9mm pistols only. Green: the para-military China People's Armed Police Force PAP *Zhōngguó Rénmín Wǔzhuāng Jīngchá Bùduì*: 中国人民武装警察部, normally armed with assault rifles. White: Ministry of State Security *Anquan Bu* 安全部 operatives, invariably with concealed pistols only.

<sup>22</sup> One such is Henry A. Kissinger, for all his fifty-one trips to China, at least judging by his *On China* (New York, 2011); but perhaps that meretricious text

#### IV. Historical residues in Chinese conduct

1.

It is therefore unnecessary to examine in any depth another and far more complex factor in China's great-state autism: its idiosyncratic history as a solitary great presence surrounded by sparsely populated high-altitude plateaus, frigid steppes and tropical jungles, from which powerful and at times overwhelming threats could and did emerge, but which contained no peers with which the Chinese state could habitually interact, thereby acquiring the skills and habits of inter-state relations, as the states of Europe did, starting in the consanguineous and often adjacent states of Italy.

2.

In the process, the Italian states developed the institutional formats, the rules of diplomatic conduct, and the techniques that with subsequent Western European enhancements are now the only global standard, starting from the basics of resident immune envoys legally entitled to observe and report, treaty-making procedures including authoritative language designations and the capitulary format derived from Justinian's codex, and the indispensable legal doctrine that subordinates domestic laws to inter-state treaties.

3.

All this was predicated on an implicit presumption of formal equality between states of differing power (e.g. all ambassadors equally immune etc.) -- exactly what was ruled out by the tributary system of foreign relations of imperial China that persisted over more than two millennia. There are now different scholarly views of its actual workings, beyond the generic exchange of imperial forbearance and actively virtuous benevolence (*rén*; 仁) symbolized by gifts, for the deference of lesser nations symbolized by tribute--- but the formal inequality of the parties is the starting point in all interpretations.

4.

Indeed the greatest benefit extended by the empire to its subjected tributary neighbors was their inclusion in its ethical as well as political

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does not reflect his own views -- at 88 he is still vigorously marketing his services to Chinese clients.

sphere, or rather within the concentric circles of the *Tianxia* 天下, the “all under heaven” that radiated outwardly from the emperor, elevating those nations above outer barbarians living in unrelieved savagery. The tributaries in turn confirmed the ethical as well as the political supremacy of the emperor by their deferential obeisance.<sup>23</sup>

5.

The logic of strategy and its manifestations, such as the “balance of power”, are inherently universal but the *Tianxia* concept and the tributary system that emerged under the Western Han (conventionally 206 BCE-9 CE), after a very protracted and ultimately successful struggle with the Xiongnú horse-nomad warriors<sup>24</sup> is very characteristically Chinese. As formidable mounted archers, the Xiongnú greatly troubled the cavalry-poor Han until, after some 147 years of intermitted warfare Huhanye (呼韓邪) their paramount chief or *Chanyu* 单于<sup>25</sup> formally submitted to the emperor Han Xuandi 漢宣帝 in 51 BC, undertaking to pay homage, to leave a son at court as a hostage, and to deliver tribute, as befits an “outer vassal” (外臣) -- a downfall from the familial status of earlier *Chanyus* of the epoch of Xiongnú predominance, whose sons and heirs could have imperial daughters in marriage, and which received tribute from the Han instead of the other way around.

6.

An important residue of this historical turning point is the “barbarian-handling” mentality that persists in official China, and even its basic techniques.

7.

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<sup>23</sup> See the critical survey in : Zhang Feng “Rethinking the ‘Tribute System’: Broadening the Conceptual Horizon of Historical East Asian Politics “ *Chinese Journal of International Politics*, Vol. 2, 2009, pp. 545–574.

<sup>24</sup> Possibly the ancestors of the Huns; they are described in a military report in book 88 of the *Hòu hàn shu* (book of the Later Han) attributed to Fan Ye. John E. Hill, [http://depts.washington.edu/silkroad/texts/hhshu/hou\\_han\\_shu.html](http://depts.washington.edu/silkroad/texts/hhshu/hou_han_shu.html).

<sup>25</sup> Predecessor of *Khagan* or *Qagan*, chief (khan, *qan*) of chiefs. For the subjection, see : Nicola di Cosmo *Ancient China and Its Enemies : The Rise of Nomadic Power in East Asian History*, 2002. p. 206 ff If it is true that the Huns emerged from them as some evidence indicates, the Xiongnú had a formative impact on both world empires).

Although it was enriched by subsequent Han dealings with other non-Han states and tribes over more than two millennia, the “barbarian-handling” tool box was first described and advocated by the celebrated scholar and imperial advisor Liu Ching by 199 B.C. . He was active at a time when the Xiongnú were still very strong and the Han were not only tactically inferior (their chariots were obsolete for fighting mounted archers) but also beset by political divisions, so much so that a 198 BC treaty required the payment of an annual tribute in kind (silk, grain ..) , and the attestation of quality embodied in a marriage alliance. That was formalized later on by imperial letters that make the equality between emperor and *Chanyu* fully explicit .<sup>26</sup>

8.

The first tool of barbarian-handling recommended by Liu Ching <sup>27</sup>, is normally described as “corruption” in English translations, but perhaps “addiction” , or more fully “induced economic dependence” is more accurate: the originally self-sufficient Xiongnú were to be made economically dependent on Han-produced goods, sophisticated silk and woolen cloths instead of their own rude furs and felt, and all manner of other products beyond their own modest craft skills . At first supplied free as unrequited tribute, they could still be supplied later on when when the Han were stronger but only in exchange for services rendered

9.

The second tool of barbarian handling , is normally translated as “indoctrination” : the Xiongnú were to be persuaded to accept the authoritarian Confucian value system and the collectivistic behavioral norms of the Han, as opposed to the steppe value system that generated voluntary allegiance to heroic (and successful ) fighting and migration leaders. One immediate benefit, was that once the *Chanyu*'s son and heir married an imperial daughter he would be ethically subordinated to the emperor as his father-in-law – remaining so when he became *Chanyu* in turn.

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<sup>26</sup> Idem pp.193-194

<sup>27</sup> From the *Shiji* 史记 , *The Records of the Grand Historian* (or *Grand Scribe*) of *Sima Qian* (Ssu-ma Ch'ien), 司馬遷 , Vol. 99; Cols. 2144 and 2179. Increasingly available in English translations, referenced under several different author transliterations.

The much larger , longer-term benefit of the second tool was to undermine the entire political culture of the Xiongnú , and make them psychologically well as economically dependent on the imperial radiance, which was willing extended in brotherly fashion when the Han were weak, and then withdrawn when the Xiongnú were reduced to vassalage. 10.

What happened between the Han and the Xiongnú from the equal treaty of 198 BCE to the vassalage treaty of 51 BCE, remained thereafter, and still remains today the most hopeful precedent for Han dealings with powerful and violent states – evidently the role of the United States at present in the CCP world-view.

11.

The derived rules of conduct form a logical sequence:

--initially, concede all that must be conceded to the superior power, to avoid damage and obtain whatever benefits or at least forbearance that can be had from it.

-- entangle the ruler or ruling class of the superior power in webs of material dependence<sup>28</sup> that reduce its independent vitality and strength, while proffering equality in a privileged bipolarity that excludes every other power ( "G-2" at present).

--finally, when the formerly superior power has been weakened enough, withdraw all tokens of equality and impose subordination.

12.

Given its longevity, it would be passing strange if the tributary system, the *Tianxia* hierarchy, and the manner of its gradual imposition did not leave at least an unconscious remembrance in current Chinese conduct, in spite of radically altered international circumstances. <sup>29</sup> But there is much more than that –there is a conscious predisposition to manipulate foreign powers in that particular manner.

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<sup>28</sup> The current US Secretary of the Treasury is the former China specialist of Kissinger Associates, whose income mostly derives directly or indirectly from its access to CCP leaders, gained by deference to their priorities. Kissinger himself habitually propagates their views, in print also.

<sup>29</sup> Allen Carlson, "Moving Beyond Sovereignty? A brief consideration of recent changes in China's approach to international order and the emergence of the *tianxia* concept," *Journal of Contemporary China*(2011), 20 (68).



13.

One of its most striking echoes is the great prominence that Chinese officialdom gives to each and every visiting head of government, head of state, minister, and assorted Pooh-Bah from anywhere in the world, including the smallest and least active countries. They arrive in Beijing in an unending stream, with or without anything in particular to actually discuss, beyond mere anodyne conversation.

The absence of any actual business is remedied by an abundance of ceremony and elaborately hosted meals, part of more generous hospitality including nicely done gifts than is on offer from most other countries, and certainly by the United States, where the State Department's usual tittle even for multi-hour sessions is watery coffee unaccompanied by any food at all. (In US Embassy Beijing, very scandalously, even prolonged encounters, even if they start at 12 noon, habitually feature no food – inducing intense gastronomic anti-Americanism, that is only intensified when starved visitors are taken to the sordid cafeteria).

14.

The serious amounts of time that top Chinese leaders, not infrequently including prime-minister Wēn Jiābǎo or even President Hú Jǐntāo devote to meetings with their counterparts from the likes of Kiribati, Vanuatu, Uruguay, Latvia, Burundi and others such --none of whom would be accorded more than a one minute photo-op by the White House even after years of waiting -- further detracts from the ability of top Chinese leaders to focus seriously on the important parts of the outside world.

It is not surprising therefore that when their own understanding of foreign-power priorities, motivations and decision processes is probed, it is almost invariably revealed as exceedingly superficial, schematic, or plain wrong.<sup>30</sup> Exchanging polite compliments with hundreds of mostly

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<sup>30</sup> It is unfortunate that Dr. Henry A. Kissinger and his lesser imitators have perfected the art of discovering great wisdom in the remarks of CCP chiefs. A case in point is the famous Zhou Enlai response “too early to say” when asked about the impact of the French Revolution. But Zhou was not referring to 1789 but to then recent 1968 uprising, according to the only US Mandarin-speaker present, the later Ambassador Chas Freeman; FT.Com. Richard McGregor June 10,2011.

inarticulate foreigners from different climes does not help to diminish great-state autism.

15.

It is the very extensive media coverage given to trivial visitations that tells us what is going on : just as in the tributary system, the unending procession of foreign potentates –the more colorfully varied the better – is portrayed as proof positive of the authority of China’s rulers, who can be portrayed as greatly in demand for their wisdom, sagacity and benevolent generosity.

That is why the sheer multiplicity and exotic variety of visitors is important in itself regardless of the substantive unimportance of the resulting encounters –the Chinese population at large is to be impressed by how many ostensibly important foreigners travel all the way to Beijing for the privilege of meeting their rulers.

16.

A second and often pleasing echo of the tributary system is the striving to reward visitors with memorable gifts, as if to ensure their eagerness to visit again.

To be sure, under the *Tianxia* concept such visitors should arrive bearing tribute, but one may suppose that China’s chronic merchandise trade surpluses with most countries, which de-industrialize them as China continues to industrialize, are tribute enough.

17.

Sometimes it is not only the sheer magnitude but also the modalities of Chinese gift-giving that betray its tributary origins. To cite a current example, on the very day that Dilma Rousseff , the newly elected President of Brazil arrived in Beijing for a full-dress state visit on April 12, 2011, two different Chinese airlines announced a total of thirty orders for the Brazilian-made Embraer *E-190* regional jet, plus five options.<sup>31</sup> That is not the sort of gift that the US government, or Japan’s, or India’s could or would give – All Nippon, United, or Jet Airways would not obediently line up to buy diplomatically-preferred aircraft, and announce their

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<sup>31</sup> Katie Cantle “Chinese carriers order up to 35 Embraer 190s” . *ATW* April 13, 2011

purchase exactly on the diplomatically-preferred date. It remains to be seen if the government of Brazil will reciprocate by continuing to accept passively the under-valuation of the RMB, which has facilitated Chinese exports that have devastated the country's light industry. Instead of producing its own apparel, accessories, bar stools and a hundred other things, Brazil now imports them from China, thereby becoming even more of a raw-material exporter than it used to be, notwithstanding Embraer and all. Ironically, it was only after the Rousseff visit that Brazil started to react to the RMB's under-valuation; moreover, in response to Chinese purchases of vast tracts of farm land, Brazil (as also Argentina) passed laws barring land sales to foreign owners. There was no such reaction when Americans and Europeans were buying land..

18.

China's tributary gift-giving practices have certainly played a large role in its penetration of Africa. There is nothing sinister about the oil exploration, mining and land development activities of China's state-owned enterprises; they operate in the same way as their Euro-American counterparts (give or take a safety practice or two), albeit with much lower expatriate manpower costs, and therefore many more expatriates – including common laborers in many cases.

What is different is the accompanying official invitational program for African politicians, the ones who decide which exploration and production licenses are issued, and which ones are denied. Hundreds of African politicians have been ceremoniously welcomed in Beijing in recent years, with all the protocol courtesies and also valuable gifts, including hard cash.

It was an integral part of the tributary system to blithely entertain even the most unwashed barbarians from the steppe and tundra in the silken elegance of the court, if they could render service to the emperor by fighting his enemies. Today's Chinese officials seem just as unfazed in dealing with the eccentricities of their African guests---few of whom have ever been invited to Britain, France or the United States; those countries also have invitational programs, but they are much smaller, altogether less alluring, and gift-less except for for trivial souvenirs. Unsurprisingly, Chinese barbarian-handling hospitality techniques are particularly successful with less accomplished official visitors, a large group.

19.

As for the tribute itself , ordinarily it takes the valuable form of government concessions to extract raw materials. Even if they are granted to newly operating Chinese companies on exactly the same terms as those offered to established Western companies, that is still a great boon for the Chinese, who cannot offer reliable environmental and work-safety guarantees, and who need not employ locals to reduce very high expatriate manpower costs.

20.

Yet another echo of the tributary system manifest in China's African diplomacy is its cultural dimension. In the original version, the emperor owed the obedience of his subjects and the deference of his tributaries to his superior virtue, actively expressed in his benevolence. The would-be neo-Confucian rulers of today's China strive to project a caring, benevolent image -- as soon as there is a natural disaster worthy of his attention, Prime Minister Wēn Jiābǎo arrives on the scene very quickly, all kitted out with studiously informal clothes, ready to go out to embrace victims , commend rescuers and hurry up local officials to serve the people faster.

It is the second-order effects that is of relevance here: with such benevolent rulers, happiness must prevail in the land, and the media must accordingly report the news in positive fashion. The ultra-radiant super-happiness of Maoist propaganda has gone, but it has been replaced by tales of advancement and progress --in spite of sundry acknowledged difficulties.

21.

This dimension of China's public culture --the positive tone of its media but for credibility-enhancing minor criticisms here and there -- has great attractions for most African politicians . Very recently, Mr Samuel Okudjeto-Ablakwa, Ghana's Deputy Minister of Information, explained why in fully explicit terms: he praised " Xinhua, the China News Agency....[for its] .high sense of professionalism on information published about Ghana, ...unlike some other foreign media which usually portrayed

Ghana and other African countries in a bad spotlight [sic]<sup>32</sup>... Okudjeto-Ablakwa offered this praise while opening a [Xinhua] photo gallery at the Department of Linguistics, University of Ghana.

22.

The third echo of the tributary system derives from one of its inherent characteristics: bilateralism. There can only be two protagonists: the tamed barbarian bearing tribute, and the benevolent emperor ready to reward his homage with valuable gifts. If there has been unpleasantness in the borderlands, some severity and a dressing down might be called for; or to the contrary, depending on the balance of power, the emperor might have especially valuable gifts to hand over.

But the one thing rigidly excluded was any ganging-up by the chiefs of different barbarian bands—they might indeed gang up, but the emperor would not receive them as a group; tributary rituals are inherently bilateral.

23.

It is over the Spratly islands that this specific issue has arisen: the ASEAN countries which claim rights over the South China Sea islands adjacent to them—that is every member country but for Singapore—are all threatened by the Chinese claim over the entire archipelago, distant as it is from the nearest coast of China.

With multiple parties involved, the ASEAN members in conclave in July 2010 proposed multi-lateral negotiations, logical enough one might think, but the reaction of China's foreign minister, the egregious Yang Jiechi 杨洁篪 was furious, and seemingly spontaneous.<sup>33</sup> Evidently the inherently uneven bilateralism of the tributary system suits China's power position, but it is also the only model for the conduct of its foreign relations that is embedded in the official culture.

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<sup>32</sup>Accra, April 8, Ghana news agency; [http://www./s\\_social/r\\_27563/social/xinhua-opens-photo-gallery-in-accra](http://www./s_social/r_27563/social/xinhua-opens-photo-gallery-in-accra).

<sup>33</sup> At that same meeting, Yang Jiechi reportedly told his Singaporean counterpart George Yeo, Minister for Foreign Affairs, that "China is a big country and other countries are small countries, and that's just a fact". One trusts that Yeo was grateful for the information that China is larger than Singapore.

<http://online.wsj.com/article/SB10001424052748704483004575523710432896610.html>

24.

China's "great-state autism" is therefore aggravated not only by the internal absorption that derives from its unique scale, but also by the subjective presumptions of centrality and hierarchical superiority that is inherent in the tributary tradition of Han foreign relations.

25.

Incidentally, it was the same presumption of hierarchical superiority that made the Chinese so especially bitter about the "unequal treaties" of the 19th century, starting with the 1842 Treaty of Nanjing imposed on the Qing dynasty (清朝) by the victorious British, which levied obligations only on the Chinese side. It was not the inequality that rankled, but rather the reversal of the usual pattern of inequality, in which it was the Emperor who subjected foreigners, and not the other way around.

26.

The claim here advanced that the ancient *Tianxia* concept informs current Chinese conduct in foreign affairs might be dismissed as an illegitimate, manipulative and hostile "Orientalist attribution", to use the language of the fabricator and polemicist Edward Said, the patron-saint of intellectual anti-Westernism. It is therefore worth noting that the local branch of the Beijing-based Confucius Institutes (孔子学院) *xuéyuàn*, funded by the government's *Hanban* 汉办 (=Chinese National Office for Teaching Chinese as a Foreign Language, the government's cultural propaganda arm) co-sponsored a May, 2011 event at Stanford University under the title "A *Tianxia* Workshop CULTURE, INTERNATIONAL RELATIONS, AND WORLD HISTORY: RETHINKING CHINESE PERCEPTIONS OF WORLD ORDER". This sounds as an historiographical exercise but its accompanying description reveals :

" the practical value of the traditional Chinese vision of world order, or *tianxia* ...[is that].. this vision anchors a universal authority in the moral, ritualistic, and aesthetic framework of a *secular* high culture, while providing social and moral criteria for assessing fair, humanitarian governance and proper social relations. Varied discourses indebted to *tianxia* have resurfaced in modern China in [sic] quest of moral and cultural ways of relating to and *articulating an international society*. [Italics added]. We believe that the Chinese vision may prove productive... in the tension-r

idden yet interconnected world....”

How it could be productive is pointedly explained in the introductory brochure:

“ As China is becoming an economic and political power, thinkers and writers are debating the theoretical implications of the traditional Chinese vision of world order. [ China’s]...attempts to be part of the international community and to enter world history *ran counter to the Western temperament steeped in the conflict of nation-states, in geopolitical rivalry, and in economic theory based on possessive individualism and imperialist expansion.* These elements of capitalist modernity have fostered a *divisive* sense of mystified *cultural difference* and *geographical inequality* [Italics added] .

The *Hanban* certainly got value for its money, for it turns out that it was given the opportunity to attack core Western values to promote a China-centered vision of international relations in a major Western institution , with Stanford itself footing most of the bill.<sup>34</sup>

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<sup>34</sup> The brochure closes with : “The workshop is co-sponsored by the Confucius Institute, the Department of East Asian Languages and Cultures, the Center for East Asian Studies, and the School of Humanities and Sciences. Major funding is provided by Stanford’s Presidential Fund for Innovation in the Humanities”. It is odd yet unsurprising to encounter such infantile fecklessness in such a place.

## V. The coming Geo-economic resistance to the rise of China

1.

The post-2008 outbursts of provocative behavior certainly accelerated reactions to the rise of China. But those reactions had not been caused by the provocations, and could not be ended by conciliatory gestures, fence-mending state visits or soothing language, because they reflect perceptions of power rather than assessments of Chinese conduct.

2.

The weights of those perceptions and those assessments are very different. First, power is the parameter that will not go away as opposed to the variable of conduct.

Second, conduct is assessed in retrospect while perceptions of power look forward to the future. Moreover, as opposed to future money whose present value is discounted, future power is anticipated and indeed usually magnified. It seems that in focusing on a rising trend-line there is an inherent tendency to project it further ahead, giving credit in advance so to speak, disregarding counter-veiling factors and possible disturbances unless they are obviously imminent and greatly significant. The “wave of the future” is more impressive than the standing water of the present.

3.

Reverting to the fundamental contention here presented, the inherent incompatibility between the concurrently rapid growth of China’s economic capacity, *and* military strength, *and* diplomatic influence, what remains to be defined in concrete terms is just how each dimension of China’s advancement could impede the others in the proximate future or is already doing so, because of the adversarial reactions of China’s neighbors, peers and indeed other countries that are neither of those things.

4.

Only one of these incompatibilities has an obvious and familiar form –the contradiction between a threatening military posture and diplomatic influence over any state that still retains its autonomy – ie. that has not already passed the tipping point beyond which subordination to overwhelming power is accepted as inevitable. Only then can a rising military threat generate more influence, and very effectively too.



5.

In this regard also, the logic of strategy cannot be linear: a rising military threat normally stiffens resistance against it, leading to a loss of influence; if the threat persists and intensifies, the threatened power will strive to re-arm or seek allies, or do both when it can. But if the threat nevertheless increases further, overtaking both rearmament and allied support, a culminating point of resistance will be reached. If no other factors or powers then intervene to interrupt the process, any further increase in the threat will not evoke more resistance in most cases, but to the contrary it will have the opposite result, inducing more accommodating attitudes that might even evolve towards submission.

6.

As overall balances –economic capacity, military strength, diplomatic influence --continue to shift in China's favor, each of its neighbors and peers must make successive choices between accepting increased measures of Chinese leverage over its own doings, or at least over its allies and clients (which would become China's in due course), and the costs of increasing its powers of resistance, both by internal strengthening and by coalescing with other powers that are also threatened in some way by the rise of China, and are thus in the same predicament .

6.

Inevitably, each form of reaction to an excessively risen power has its costs.

Internal strengthening may require not only the allocation of scarce resources for military purposes if it comes to that, but also the sacrifice of other weighty interests or even values, or at least ideological constructs such as Free Trade –**because in the nuclear era, with major war between nuclear powers very largely inhibited, the logic of strategy must find alternative non-military expressions in "Geo-economic" ways** .<sup>35</sup> Each of these contentions of course requires justification.

7.

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<sup>35</sup> For the concept : Edward N. Luttwak "From Geopolitics to Geo-Economics," The National Interest (Summer 1990): 17-23.

The first contention is more easily justified than the second. China has nuclear weapons and sundry means of delivering them, none of very impressive capability but collectively persuasive enough to have dissuaded the Soviet Union at its most hostile (and at a time when Chinese strategic-nuclear forces were still embryonic). On the other hand, even the feckless and reckless post-2008 conduct of China's foreign relations that has made new enemies for China and recruited new friends for the United States, does not begin to approach the degree of chiliastic irrationality that would be required for a large-scale Chinese attack on the United States, or major components of its armed forces.

For both sides, that would still leave room for small-scale, strictly localized military actions, as well as for maritime provocations and such.

8.

But no such small-scale or non-lethal actions could be of any use to the United States to contain China's economic growth –the source of the problem for it supplies the wherewithal for military aggrandizement. As for the Chinese, they have repeatedly tried to use harassing actions to inhibit US intelligence-collection activities at sea and in the air, with one deadly aerial incident and more near-misses at sea. But these attempts have been insufficient to diminish US intelligence collection activities, while the Chinese have so far been dissuaded from the use of more effective means by the evident threat of escalation towards a general war, whose outcome could in turn impose a choice between regime-destruction and nuclear use.

9.

Thus it may be said that while not all forms of combat between nuclear powers are inhibited by the excessive destructive power of nuclear weapons (they overshoot the culminating point of useful destructive capacity), *effective* forms of combat that could theoretically achieve significantly substantive results are indeed inhibited. That much was proven through all the successive phases of the Cold War, and Soviet leaders were not on the whole more prudent than China's in their use of force.

10.

As for the second contention, that the logic of strategy *must* find alternative non-military expressions in "Geo-economic" ways, it is first

necessary to clarify that the logic of strategy remains exactly the same in the geo-economic context as well, with the difference that the same logic is expressed with the means of commerce instead of military means.

It follows that in geo-economics also there can be an escalation all the way up to the level of a full interruption of commercial relations, or near enough, as in the case of US economic non-relations with Cuba.

Now almost unthinkable at a time of normal US-China relations, such a geo-economic escalation could quickly become a very natural default position in the event of any major Chinese act of aggression against third parties including Taiwan, even in the absence of formal treaty obligations.

11.

But that undoubted possibility does not in any way prove the validity of the actual contention here advanced: that because China's continuing rise ultimately threatens the very independence of its neighbors, and even of its present peers, it will *inevitably* be resisted by geo-economic means, ie. strategically motivated as opposed to merely protectionist trade barriers, investment prohibitions, more extensive technology denials, and even restrictions on raw material exports to China if its misconduct can provide a sufficient excuse for that almost warlike act.

12.

This is a contention about the future, advanced in full recognition of very different current realities, notably the strenuous efforts of many governments to increase all manner of economic relations with China, whether to export more to its expanding markets, produce within them, or to attract Chinese investments, each of which inhibits if not prohibit the geo-economic measures that would be useful to slow down China's economic growth.

13.

The prediction is here strictly speaking justified only *a priori* by the twin contentions that nuclear weapons constrain the use of force too severely for the purpose, and that China's neighbors and peers will seek to protect their independence nonetheless – inevitably therefore by geo-economic means.

14.

But there is already some scattered evidence of geo-economic actions that can be adduced, for now mere straws in the wind but indicative of what is to come :

--in the US , the growing resistance to government ( Federal or State) procurement of Chinese-made infrastructural or other major products, much of it very new. For example, the San Francisco Bay bridge purchased from China is more controversial now (June 2011) than it was when the contract was first awarded under the former Governor. As for the Department of Defense, FR 45074 of Aug. 2, 2010 already prohibits outright the procurement of US Munitions List items from Chinese-controlled sources, and there is now a move underway in Congress to prohibit all DoD procurement of Chinese-made items.

--also in the US, the importation of telecommunication switchgear and other infrastructural equipment from China has been effectively prohibited by the threatened DoD denial of service contracts to telecommunication providers.

---In India, the same prohibition was imposed by Government order in 2010 but with the major difference that while the US was only a potential market for Chinese telecommunications infrastructural equipment, India was the single largest market world-wide for those Chinese exports.

--in both Argentina and Brazil, the very recent (2011) prohibitions of farm- and ranch-land sales to “foreigners” –a measure never before imposed when it was Europeans and US buyers that were acquiring sometimes huge tracts of land, but promptly legislated when Chinese buyers arrived on the scene. Other Latin American countries are enacting similar measures.

--In Brazil also, the belated recognition that the China trade was enriching the country’s raw-material exporters while de-industrializing the rest of the country has now resulted in demands for tariff barriers against Chinese imports, unless the Bank of China will finally allow the RMB to rise in relative value. The parallel US demand is feebly advanced by the US Treasury, the last stronghold of cooperation with China at any cost

(including US de-industrialization) , and in any case ideologically committed to “Free Trade” no matter what; but Brazil is already regressing into the role of a mere commodity exporter, and its government is much more likely to act. Other countries that still have light industries to preserve are likely to follow.

--in Australia, where there are no barriers to Japanese, European or US acquisitions of operating companies of any sort, including major raw-material producers, Chinese acquisitions of any such have been effectively prohibited by administrative injunctions.

15.

None of these measures is especially powerful, and they certainly do not amount to any coherent or concerted effort to impede China’s economic growth. But each attests to a real sense of threat, and each is an attempt to respond by economic means within the severe constraints of the current international trading regime, which was designed when China was economically insignificant, and which China now exploits in pursuit of one-sided benefits (e.g. to have technology access without the effective protection of foreign Intellectual Property ; to export films freely while restricting imported films to just twenty per year; to export infrastructure products while barring foreign companies from its own infrastructure awards , and many more such).

All countries do that of course, but none combines the magnitude of China with rapid economic growth.

16.

So far all has been accepted passively because of the powerful ideological commitment to “Free Trade” , but it is indicative of what is bound to happen that even a formerly committed Free Trader such as the current US Presidential Republican contender Mitt Romney now declares (June 2011) that the US would be justified in cutting off *all* trade with China because of the theft of US intellectual property among other reasons.<sup>36</sup>.

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<sup>36</sup> [http://www.huffingtonpost.com/2011/06/28/romney-us-cut-off-trade-with-china\\_n\\_886008.html](http://www.huffingtonpost.com/2011/06/28/romney-us-cut-off-trade-with-china_n_886008.html)

More broadly, content analysis would undoubtedly show a sharp increase in the volume of anti-China economic measures proposed during successive electoral seasons since 2008; eventually some action is likely to follow the great number of words.

17.

It remains to be seen if the sum of all geo-economic action world-wide will ever suffice to impede China's economic growth in sufficient degree, say, to reduce its growth rate to 4-5% per year from the present 9% or so, or the 6% or so inherently more likely beyond the medium term. It must be recognized of course that a 4% p.a. growth rate may be both incompatible with the stability of the CCP regime and yet essential to preserve the US position on the world. In any case, what the logic of strategy predicts is a geo-economic struggle but not its outcome. For what it is worth, the present writer is confident that China will not ultimately be allowed to disrupt the equilibrium of world politics.

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## VI. China's aggrandizement and global reactions.

1.

The Chinese authorities undoubtedly understand the implications of the nuclear inhibition but evidently --and reasonably-- still believe that they can benefit from increasing their military capabilities, not only for the sake of military prestige but also to intimidate or even attack defiant non-nuclear powers unprotected by any ironclad security treaty, such as Vietnam for example.

2.

Another rational purpose for China's military aggrandizement is to achieve at least localized escalation-dominance even against nuclear powers such as India, even the United States, and conceivably the Russian Federation – at least in circumscribed confrontations short of any significant use of lethal force (there has already been much harassment and hostile posturing).

Alternatively, enhanced military capabilities can at least reduce the escalation dominance of others, including the United States –initially only in highly favorable circumstances to be sure-- but more broadly as China's relative strength increases.

3.

It follows that China's non-nuclear neighbors also have good reasons to try to keep up their own relative military strength, to dissuade intimidation or even fight off attacks if it comes to that –war is not inhibited in their case. (See Part B below on the protagonists and modalities of the incipient resistance to China's military aggrandizement).

4.

Given the costs of resisting China's rise, the acceptance of at least a tacit, decently veiled and certainly unacknowledged subordination has its advocates in some neighboring countries, even Japan.<sup>37</sup> But with the possible exception of the Republic of Korea <sup>38</sup>, policies of accommodation to Chinese preferences leading to the acceptance of China's hegemony, are unlikely to prevail over policies of resistance, not only because of the

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<sup>37</sup> In Japan notably, Nakasone Yasuhiro, Prime Minister 1982-1987 . See in Part B below under Japan heading.

<sup>38</sup> See Part B. below on the Republic of Korea as a consumer rather than a producer of security.

usual cultural-political and national identity reasons, but also because of the feared material consequences.

5.

When the United States was extending its influence over East Asia after 1945, it was almost universally perceived as a generous rather than a predatory power, and indeed it successively provided material aid and then favored export-lead growth in the region by opening its own markets. Even Marxists who had to view the United States as focused on securing overseas markets and access to raw materials in accordance to their doctrine, could not plausibly depict it as predatory.

6.

But that is exactly how China and the Chinese are persistently viewed in neighboring countries and beyond them also, even though China has become a considerable investor and also an importer of manufactured goods to a degree; at any rate it is no longer only a fiercely competitive exporter and rival to local industries.

Prejudice against local Chinese in South-East Asia especially, where their capital-creating role is widely misperceived as exploitative in the customary way – they are accused of draining away the very wealth their industriousness and savings create – certainly contributes to negative perceptions of China itself. But while the ethnic factor has remained constant --or if anything has even declined with rising prosperity in Indonesia for example-- now it is the rapid rise in China's overall economic capacity and military strength that is inducing increasing anxiety.

7.

One fear is that China will use its rising power to take away valuable maritime resources from its neighbors --not an imaginary threat in the case of the Spratly islands most notably.

8.

Another fear is that the Chinese will dictate new rules of bilateral commerce to suit themselves, for example to demand investment access to local telecommunication and other infrastructures, while continuing to deny reciprocal access.

9.



So far, there are no indications that China's increasing economic capacity is hurting rather than aiding other countries, except for direct industrial competitors of course. Yet there is solid evidence that the attitudinal shift against China extends beyond its beleaguered competitors.

10.

A recently published multi-national opinion survey usefully compares 2005 and 2011 responses<sup>39</sup>. The data shows that in just six years negative views of China's economic role in the world increased not only regionally but globally: from 31 to 53% in France, from 37 to 55% in Canada, from 44 to 55% in Germany, from 47 to 57% in Italy, from 45 to 54% in the US. In two countries where there was less-than-average hostility in 2005, it has also increased, from 31 to 41% in the United Kingdom, and more sharply from 18 to 43% in Mexico.

In East Asia, the more significant data in this context concern China's trade practices: they are viewed as "unfair" by 58% of South Korean and 70% of Japanese respondents, though Pakistanis and Indonesians were more favorable.<sup>40</sup>

11.

These very rapid attitudinal shifts reflect the equally rapid change in China's relative magnitude in the global economy; if that were to change again but in a different direction, for example if higher labor costs were to make China less competitive at home, and concurrently a greater investor abroad, attitudes towards it would no doubt change as well.

12.

But for now, rightly or wrongly, the path of appeasement and subordination is further dissuaded by fears that China's hegemony would be exploitative and thus materially costly for its subjects --in contrast to China's historical record, for the empire often paid more in "gifts" than it received in tribute from its nominal subordinates.

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<sup>39</sup> March 27, 2011 BBC/ Globescan public opinion survey data.

<sup>40</sup> March 27, 2011 BBC/ Globescan public opinion survey data.

( that is not what contemporary Chinese theorists envisage when they commend the tribute system as the basis for a new “Chinese school of international relations”.<sup>41</sup> )

12.

The emergence of China as a military power naturally evokes even stronger reactions according to the cited survey.

In smaller neighboring countries, respondents were variously “negative” towards China : 76% in South Korea in whose more recent history Japan was the imperial oppressor, but which experienced Chinese power for much longer (the 21% in favor presumably remember Japan too well). In the Philippines, 63% were negative; the population has become much more US-oriented than ever before since the emergence the maritime dispute with China (the 29% in favor may conceivably include a Sino-Philippino element) ; and 76% in Australia neither small nor China’s neighbor, except subjectively perhaps.

13.

Unsurprisingly, respondents were very favorable to China’s rising military strength in China itself at 94% with only 5% opposed (which could also reflect the responses of actively oppressed minority populations); and they were also decidedly favorable in Pakistan at 61%, with only 11% opposed, evidently reflecting the *de facto* alliance between the two countries against their common adversary , India.

14.

In India itself only 24% of the respondents were negative with fully 44% positive , numbers that no doubt reflect the level of information of the Indian population at large-- a few among the respondents may in addition have been Maoists and Sinophile by extension , but many more probably knew nothing of China given the prevailing level of literacy. (Literacy is even lower in Pakistan, but mosque attendance rates are very high, and many sermons feature the international politics of the perpetual Islamic struggle).

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<sup>41</sup> Qin Yaqing, ‘A Chinese School of International Relations Theory: Possibility and Inevitability’, *Shijie jingji yu zhengzhi* (World Economics and Politics), No. 3, 2006, pp. 7-13. Translated for the author.

15.

At the opposite extreme, 88% of Japanese respondents expressed a negative view of China's military rise which is not surprising, especially because the polling took place soon after the September 7, 2010 confrontation near the Senkaku islands (Diaoyutai to the Chinese, 钓鱼台群岛) and before the devastations of the March 11, 2011 earthquake and tsunami that diverted Japanese attention from all else.

16.

More remarkably, exactly the same proportion of 88% of respondents was negative in Germany -- where only 2% expressed a favorable view -- even though unlike Japan, Germany has never warred with China<sup>42</sup>, cannot have territorial disputes with it, and Germans have no reason to feel threatened by any amount of Chinese military strength, so long as the Russian Federation endures between them.

17.

Yet among respondents world-wide, more Germans expressed a negative view of China's military aggrandizement than Americans (79%), Canadians (82%), British or Russians (both at 69%), though in Russia only 10% were favorable, distinctly fewer than the UK's 25%; finally, Italians antagonized by commercial rivalries, and more anti-militaristic than most, were 81% negative.

18.

Unless the cited data is merely mistaken, there is the interesting possibility that German attitudes to China's rising military power reflect neither hostility nor fear but rather benevolent concern. Germans are inclined to remember their modern history, centered on Germany's meteoric trajectory from overwhelming scholarly, industrial and financial success in the late nineteenth century to the disastrous downfall of the First World War, and the three yet more catastrophic decades that followed.

Germans may well see parallels in the evolution of contemporary China, whose military strength is also expanding in proportion to the growth of a very successful economy, so that it may simultaneously be viewed as merely commensurate *domestically*, and as dynamically threatening

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<sup>42</sup> The Kuomintang government of China did declare war with Germany on December 9, 1941, but no fighting could ensue.

*internationally*. Nor more than that is required to set in motion adversarial forces leading to confrontation and conflict. (The analogy, for what is worth, is further explored below).

19.

That the Chinese government (and public opinion too it seems) views its rapidly increasing military expenditures as merely “reasonable and appropriate” , in the words of the 2010 National Defense report <sup>43</sup> , is a perfect example of the great-state autism that is the *sine quae non* of massive strategic failure, and whose specifically Chinese version is an especially acute condition.

Out-of-context quotations can easily mislead, so it is worthwhile to consider the entire paragraph, at the beginning of part VIII “Defense Expenditure” [ Italics added]:

“ China adheres to the principle of *coordinated development* of national defense and economy. In line with the demands of national defense and economic development, China decides on the size of defense expenditure in an *appropriate way*, and manages and uses its defense funds *in accordance with the law*.

With the development of national economy and society, the increase of China's defense expenditure has been kept at a *reasonable and appropriate level*. ... China's defense expenditure was RMB417.876 billion in 2008 and RMB495.11 billion in 2009, *up 17.5 percent and 18.5 percent respectively over the previous year*. In recent years, the share of China's annual defense expenditure within its total GDP has *remained relatively steady*, ..”

20.

It often happened in the past that US defense expenditures were excessive according to retrospective analyses, just as they were inadequate at other times by the same standards.

But either way, a US document comparable to *China's National Defense in 2010* would start with a threat assessment, perhaps exaggerated or perhaps not, but either way it would start with at least a representation of the Other or Others, and the change underway in its or their military

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<sup>43</sup> *China's National Defense in 2010* . Issued by the Information Office of the State Council, March 2011. (Xinhua, English.news.cn, 2011-03-31)

strength that requires such and such a response, to variously block, absorb, deflect, or counter-act different threats.

That is the great absence in *China's National Defense in 2010*, the dog that did not bark of the *Hound of the Baskervilles*, the silent sign of great- state autism.

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## VII. The Inevitable Analogy

1.

Historical analogies are notoriously false friends (the only true lesson of history is that humans never seem to learn from their history..) but perhaps not quite always. By 1890 Germany had overtaken Britain in industrial innovation across the board, thereby winning global markets, accumulating capital, and funding more innovation to overtake British primacy in one sector after another. In the then still fundamental steel industry, the German technological advantage was increasing; in the then leading-edge chemical industry, it was already absolute. That facilitated Germany's superiority in other forms of manufacturing as well, including the electrical industry (the world's first public electricity supply started in England in 1881, but the alternator was made by Siemens). British entrepreneurs and managers were too uneducated to make much use of science and technology, and in any case it was German and not British universities that were advancing science, technology and indeed most forms of scholarship. Moreover, in British mines and factories --often the scene of outright class warfare--trade unions strongly resisted labor-saving machinery and techniques, ie. most forms of innovation. With the world's first old-age and disability pensions, as well health and accident insurance, and with the persistence of widespread industrial paternalism, German workers were much more secure, and far more willing to embrace innovation.

2.

The German advantage was therefore systemic -- the centralizing "Berlin consensus" was far more effective than the ("muddling through") pragmatism celebrated by the British. Both countries were parliamentary democracies with monarchical heads of state, but the German executive's constitutionally stronger powers were used not only to contain the parliamentary opposition, but also to guide investment to innovate on a large scale. One result was the state pension system destined to be copied world-wide, another was that the newly unified German lands were served by a railway network far more efficient than the chaos of the 120 British railway companies, which left London with multiple unconnected stations, and whose lines sometimes run parallel for long distances to reach different stations in the same small town. German centralization

influenced industry as well, favoring the emergence of powerful amalgamated companies that could finance systematic research and development, as their smaller British competitors could not. .

3.

All this meant that the British could not realistically hope to avoid their relative decline. German superiority in all things was only a matter of time, while in scholarship across the board the contest was already over: by 1900 even in British universities it was impossible to study subjects as varied as chemistry or Greek poetry without knowing German first, while English was only essential for ...English literature. In finance, the more rapid generation of capital of the more dynamic German economy was prevailing over both the expertise and global connections of the London merchant bankers, and their systemic advantage in presiding over the pound sterling, the world's leading reserve currency. The Warburgs of Hamburg were overtaking the Rothschilds of London, while even the largest British banks were already eclipsed by the *Deutsche Bank*, the world's largest by 1914, and by far the most competent in financing industry (as it still is in 2011 by all accounts).

4.

Under any realistic 30-year projection, as the beneficiary of the world's most advanced industries, best universities, richest banks and the most harmonious society thanks to its developing welfare state, by 1920 Germany should have been altogether superior in every way to an increasingly antiquated Britain. Instead, by 1920 Germany was defeated, ruined and destined for another quarter century of mounting disasters, with the seemingly realistic expectations of 1890 utterly disappointed. The British paid a high price for their victory but they did succeed in overturning the future before them, and perpetuating Britain's Great Power status for decades to come.

German strategic incompetence, a frequent companion of tactical genius, was the necessary pre-condition of catastrophic strategic failure, which necessarily started with hubris ---like many Chinese now, many Germans of the time were plainly unhinged by the rapidity of their rise.

But it was the British reaction to Germany's rise that ensured the final outcome.

5.

In 1890, Britain was still locked into a fierce colonial competition with France in Africa and Indochina, and with an advancing Russia in central Asia—they were enemy number 1 and enemy number 2. That made it impossible to oppose Germany, whose global commerce to the contrary enjoyed all the benefits of British naval protection.

But then the German government came to accept the idea that a risen Germany could not remain merely a Great Power; it had to become a Global Power as well. Hence it needed an *appropriate, proportionate*, and therefore oceanic navy, instead of the modest coastal and Baltic fleet it had till then. Starting in 1898, a series of Naval Laws funded the construction of battleships, heavy cruisers, and light cruisers. Because Germany's economy was growing rapidly, so could its fleet: the second German naval law of June 1900 funded the doubling of the Imperial Navy from 19 to 38 battleships, and it was followed by further Naval Laws, in 1906, 1908 and 1912.

6.

What characterizes the realm of strategy is the impossibility of achieving straightforward results by straightforward action, because others exist and others react in between the two.<sup>44</sup> Accordingly, the German action in building oceanic warships did not result in the acquisition of oceanic naval power in an otherwise unchanged world, but in a global strategic transformation that ensured the ultimate nullity of German naval power, and then Germany's defeat. For the German action in rapidly building powerful warships was too threatening to evoke a merely imitative British reaction.

7.

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<sup>44</sup> Hence surprise is the greatest of boons for it grants a non-reacting other, a mere object against which straightforward action does achieve straightforward results. But in warfare, with all guarding against it, surprise is rare; in the competitive peacetime acquisition of major weapons, it rarely lasts long enough to matter; while the stately processes of ship-building deny any hope of surprising competitors.



One decidedly asymmetrical British response was to introduce an all-big-gun vessel of revolutionary design, the *Dreadnought* launched in 1906, which immediately made earlier multi-caliber battleships obsolescent. But the major British response to Germany's new global and naval ambitions was even more asymmetrical: it amounted to a veritable diplomatic revolution, which reshaped the entire strategic context.

8.

France had been Britain's enemy par excellence over the centuries, lately because of intense colonial rivalries. But more immediately threatened by Germany, if colonial disputes were settled France was ready to become Britain's indispensable ally. With the sharp discipline that an effective grand strategy invariably requires, the British set aside both ancient enmities and fresh rivalries to rapidly negotiate many separate agreements over access to Morocco, Newfoundland fishing rights, territorial disputes in West and Central Africa and on the borders of Siam, over the Madagascar trade, and the disposition of the New Hebrides (Vanuatu).

It was all done by April 8, 1904 and from then on Germany's access to the oceans would depend on the conjoint consent of the British and French fleets -- automatic so long as Germany remained at peace with both, readily deniable otherwise. Even a superior German battle fleet in the North Sea could only have counter-blockaded Britain, but not France with its Mediterranean access and Suez Canal outlet.

9..

To reach an understanding with the Russian Empire was altogether more difficult, not so much because of colonial rivalries over Persia and Central Asia, but rather because of the intense domestic opposition in Britain to any close connection with the repulsively reactionary and anti-semitic Czarist autocracy.

10.

But strategy is stronger than politics (as the 1972 Nixon-Mao understandings also show, among countless examples), and the more threatened French had overcome their inhibitions long before, signing a war pact in 1892. Finally in August 1907, the signature of an Anglo-Russian Convention opened the way for staff talks and broader military coordination .

11.

The British-lead diplomatic revolution accomplished by 1907, encircled Germany with the increasingly coordinated power of the British, French and Russian empires. In the Far East, the Russians could have been distracted by Japan, but the British had already pre-empted any possible German-Japanese alliance with their own 1902 Treaty –the first truly equal Euro-Asian alliance, anchored by close naval cooperation. Finally, the British kept all their disputes with the United States under firm control--it was their set diplomatic doctrine to preserve good relations with the Americans at any cost.

12.

That left only allies more needy than useful for Germany: Hapsburg Austria-Hungary with its strengths including an effective Adriatic fleet, but hopelessly fragmented by rival nationalisms; the Kingdom of Italy a treaty ally but wavering, and with a weak army; even weaker Bulgaria besieged by enemies; and the Ottoman Empire, whose secularizing modernizers could not prevail against the counter-modern undertow of Islam. Moreover, any alliance with the Ottoman empire would antagonize Italy –the two fought a war in 1911. Italy was not a useful ally on land, but at sea it could do much by confining the Austro-Hungarian navy in its upper Adriatic anchorages, freeing the British fleet from any serious threat in the Mediterranean. That made Italy strategically important and a focus of patient British diplomacy.

13.

Once the allies on each side of the First World War were arrayed against each other, the outcome was utterly preordained.

At sea, the British, French and Japanese fleets with their global network of coaling stations controlled every oceanic passage world-wide, confining the German Navy to the futility of its North Sea home waters. On land, the German army won many victories but none could rescue Germany from blockade, crippling raw-materials shortages, and consequent defeat by cumulative economic exhaustion leading to societal disintegration. Only the arrival of fresh American troops interrupted that death spiral with a faster defeat: instead of having to surrender eventually in 1919 or 1920 because Germany could no longer feed itself,

the High Command had to accept the November 11, 1918 armistice because it could no longer resist Allied offensives.

14.

Once the British formed their world alliance, a strategically competent, German government would have recognized the irremediable futility of the beautiful ships of the German navy, and the irremediable irrelevance of the formidable German army.

15.

But autism prevailed over strategic thinking, also in part because the Germans were persuaded that strategic thought was their very own specialty, for indeed the founder of modern Western strategy Carl von Clausewitz was as German as *Sūnzǐ*; (Sun Wu, Sun Tzu: 孙武-) was Chinese-- thereby confirming the dangers of reading such intoxicating texts.

16.

Tactics are important, but the higher art-of-war operational level dominates tactics; the level of theater strategy governed by geographic factors in turn dominates the operational level --the 34 kilometers of open sea between England and France, the vast geographic depth of Russia sufficed to neutralize the most dynamic of invaders in the past, and matter still even in the present.

But final outcomes are determined at the still higher level of grand strategy, in which all military factors are in turn dominated by the overall human, economic and technological capacity that states can harness from their populations and from allies as well, a function of political cohesion and leadership within states, and within alliances.

None of the many tactical and operational-level victories of the German Army between 1914 and 1918 could break through the higher levels of strategy to reach all the way up to the top level of grand strategy. Hence all its hard fighting achieved nothing, just as if it were the worst of armies, instead of the best.

17.

A strategically competent, non-autistic, government would have recognized that only Germany's *non*-military abilities had any value-- its banks, factories, and universities could keep rising without limit,

advancing the prosperity of the population and expanding German influence all over the world-- as was indeed happening until 1914. By contrast, the German army could only be useful defensively and the German navy was actually counterproductive, for it could achieve nothing strategically in spite of its considerable operational-level strength, while its very existence had mobilized the British to oppose Germany globally.

18.

In theory, Germany could easily have overcome its fatal strategic encirclement by the British, French and Russian world empires. Jointly they were very powerful, but their alliance was only as strong as their individual fear of Germany. Therefore the perfect response to the Anglo-Russian Convention of 1907 which completed the encirclement was simply to renounce oceanic naval power (with Russia as the preferred customer for the best German warships...). That would have removed immediately the chief motive for the British alliance strategy against Germany. Even a very anti-German British cabinet would have been forced to renounce the financially costly anti-Germany policy by parliamentary opposition.

As for the Franco-Russian alliance, it was only kept together by a common fear of the German army. If its strength had been reduced to assure "defensive primacy"<sup>45</sup> and nothing more, the pro-German party at the Czar's court would have won, even if the French Republic would have persisted in its politically embarrassing alliance with the Czarist autocracy.

Nor would these measures have disarmed Germany, for even a reduced army less capable of mounting large-scale offensive operations could have defeated any invasion of Germany and secured all its territory, including its eastern lands with their restless and restive Polish minority, a smaller German Xinjiang.

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<sup>45</sup> Which would be very useful for today's China as well --it would exclude full-scale aircraft carriers, for example, to provide instead asymmetric forces to absorb, deflect or block enemy attacks with *operationally* defensive methods, minimizing strategically offensive capabilities in a very secure yet non-threatening overall posture.

19.

That only a militarily non-threatening and diplomatically conciliatory grand strategy could have saved Germany, instead accelerating its peaceful rise to new heights of cultured prosperity, is perfectly obvious in retrospect.

But by 1907 and indeed long before, that best strategy had become simply unthinkable for Germany's political elite, including its trade-unionists and social-democratic parliamentarians.

An abrupt reversal from hubris and military aggrandizement had become emotionally impossible after long years of triumphalism.

Politically it was just as impossible, because there was a strong national consensus for a strong army and an expanding navy.

Bureaucratically on the other hand, the Army General Staff and the Imperial Naval Cabinet, vigorously backed by a good part of public opinion would have resorted to any means including a *coup d'etat* to stop de-militarization. Germany was a constitutional monarchy ruled by an elected parliamentary government, but cultural militarism (even world-famous scientists were proud to serve as low-ranking reserve officers..) conferred immense authority on the military elite, whose operational skills were indeed admired world-wide. (It was only much later that their utter incompetence at the level of grand strategy was universally recognized. The logic is the same at every level, but the grammar of combat requires sharp choices while the grammar of politics requires compromise).

20.

But it never came to a *coup d'etat* to stop de-militarization, because the greatest obstacle to the adoption of the correct grand strategy was purely intellectual, as is so often the case.

The paradoxical logic of strategy is directly contrary to common sense: only in strategy can less be better than more. Specifically, a weaker army and navy are better than stronger ones which happen to exceed the culminating level of *systemically* acceptable strength, evoking more-than-proportionate adversarial reactions, both symmetric and asymmetric. As the strength of a rising Great Power continues to increase, friendly neighbors become watchful, allies edge towards neutrality, former neutrals become adversaries, and committed adversaries old and new are

compelled to overcome their differences to combine against the Great Power rising too quickly. *In a world of independent states, even the strongest rising power can be overcome by the gathering of adversaries summoned by the very increase of its own strength.*

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### VIII. Could China adopt a more successful Grand Strategy ?

1.

Each historical period and each state is different , invalidating most analogies. But the paradoxical logic of strategy is always the same<sup>46</sup>: China's rising power must evokes increasing resistance, so that it can even become weaker at the level of grand strategy *because* of its own rising military strength-- a truly paradoxical outcome. A mild and yielding foreign policy free of arrogance and ready to make concessions at every turn, could be a palliative for a while. But if military growth continues, such a remissive foreign policy would be interpreted in a sinister light as deliberately deceptive--- mere camouflage for continued military aggrandizement .

2..

It follows that the only correct grand strategy for today's China would deliberately forgo military growth, against common sense and against normal human instincts. In addition, insofar as CCP rule rests on PLA support --a contention not undisputed-- a grand strategy of deliberate demilitarization would also require a drastic political restructuring, to either replace CCP rule with democratic legitimacy-- and one sustained by an anti-militarist consensus (a further leap) ; or to the contrary, further elevate the CCP into a position of unquestioned authority over the PLA. It is a bizarre thought that to construct a non-threatening grand strategy, the CCP might have to become a Stalinist party sustained by secret police terror, rather than military support, with power still growing out of the barrel of the gun in Mao-speak, but of very small caliber.

3.

China's failure at the level of grand strategy, absent political leadership of super-human perspicacity and strength, is therefore over-determined:  
--it would be abnormal to adopt a humble foreign policy *because* China's all-round power is increasing rapidly;  
--it would be abnormal to reduce military expenditures *because* China's rapid economic growth allows their rapid increase;

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<sup>46</sup> Hence the logic of Carl von Clausewitz and of *Sūn zǐ* are necessarily identical, and equally paradoxical.

--it would be abnormal for the PLA to overcome universal bureaucratic proclivities to accept its own diminution;

--it would be abnormal for Chinese public opinion, insofar as it counts, to support the unilateral renunciation of military strength, especially given the humiliating past of military impotence. Indeed there is strong evidence of public support for more military expenditure, and more ambitious expenditure, notably the acquisition of one or more aircraft carriers according to a very recent survey [See Note below].

4.

Obviously these are already formidable obstacles to the formation of a correctly emollient grand strategy. But over and above them, there is China's especially acute form of "great-state autism" as discussed above, which is further reinforced by the lingering tradition of the tributary system, whose very premise was the formal inequality of states, all being inherently and irremediably inferior to China. A less autistic China, more aware of others' perceptions and feelings, would already have slowed its military growth, given the strong reactions it is already evoking --- reactions to which the Chinese political elite has been demonstrably oblivious. One reason for this is the final and most ironical impediment to strategic wisdom, which arises from the very core of Han strategic culture.

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NOTE : *Global Times* poll on aircraft carrier acquisition

" more than 70% of respondents" approved the acquisition of an carrier; 68 % approved of the building of more than one carrier in the future, with "a quarter" opposed.

Re. purposes: 77.8% chose "safeguarding territorial integrity and fending off invasions" ; but 81.3% chose "making China stronger"; Yet "more than half" agreed with the statement that "building a carrier may trigger an arms race in Asia".

Re costs : only 41% agreed with the statement that "building a carrier is economically viable for China" while 35.5 percent said that it was "worthwhile...despite the huge construction costs".

75.2% said that it would "boost China's military technology development and army building [sic] " .



Peng Guangqian, of the PLA Academy of Military Science (known to the present author) was quoted with an adaptation of the standard formula: "China's aircraft carrier, if there is one, is only part of the nation's military equipment advancement under the defense policy principle. It won't serve any strategy of global expansion or contending for supremacy." On the other hand, Song Xiaojun, ("a Beijing-based military expert" ) suggested an economic motive: "China has an increasing demand for resources and energy, some of which have to be imported from abroad. If their transportation and trade are threatened, industrialization and urbanization will be in question" .

Source: Zhu Shanshan " We want a carrier" *Global Times* May 5, 2011  
<http://military.globaltimes.cn/china/2011-05/651642.html>

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## IX. The strategic un-wisdom of the ancients

1.

Finally, there is one more specifically Chinese and very peculiar obstacle to a correct grand strategy: the conviction of possessing superior strategic wisdom vouchsafed by ancient texts, and the consequent belief that China will always be able to outmaneuver its adversaries, notwithstanding the accumulating resistance caused by its rise.

2.

Remarkably undiminished by the actual record of Chinese history, with its repeated subjugations by relatively small numbers of primitive invaders, this great confidence in Chinese strategic abilities reflects the immense prestige of China's ancient writings on statecraft and the art of war, and more particularly seven texts gathered in a set canon by the Song Dynasty's sixth emperor Song Shenzong in 1080<sup>47</sup>.

Much reproduced or anthologized thereafter albeit in different redactions, these texts which are variously dated from some centuries before the common era to the Tang dynasty--also served as examination fodder, further ensuring their survival.

Each of the seven texts<sup>48</sup> has its adepts and its distinctive merits, as well as different emphases from higher statecraft all the way down to tactics and stratagems, but the most prominent by far is the *Sūnzǐ Bīng Fǎ* 孙子兵法 usually translated in English as *Art of War*, attributed to an author who is variously known as *Sūnzǐ*, Sun Wu, and Sun Tzu (孙武) among other names. Now the star of screen and stage, he has been famous for at least two millennia--a reassuringly consistent bamboo-scroll edition of his text was recovered from a Han dynasty tomb in 1972--and became known

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<sup>47</sup> Ralph D. Sawyer and Mei Mei-chün Sawyer *The Seven Military Classics of Ancient China*. (1993).

<sup>48</sup> (Sawyer title: Six Secret Teachings) 六韜 *Liù Tāo* of 姜子牙, Jiāng Zǐyá ; (The Methods of the Ssu-ma) 司馬法 *Sīmǎ Fǎ*) (Sun Tzu's *The Art of War*) 孫子兵法 *Sūnzǐ Bīng Fǎ*) (Wu Qi's *Wuzi*) 吳子 *Wú Zǐ* of 吳起: *Wú Qǐ*; (Wei Liaozi) : 尉繚子 *Wèi Liáozi* BC). (The Three Strategies of Huang Shigong) 黃石公三略 *Huáng Shí gōng Sān Lüè* (Questions and Replies between Tang Taizong and Li Weigong) 唐太宗李衛公 *Táng Tàizōng Lǐ Wèi Gōng Wèn Dui*.

even in remote Europe by 1772<sup>49</sup>, and much earlier than that in Japan, where he was the claimed inspiration of the most strategical of Japanese war-lords, the celebrated Takeda Shingen, and where it is now published even in comic book format.

3.

The undoubted merit of the *Art of War* is its presentation of the universal and unchanging paradoxical logic of strategy in a form less cryptic than that of the coeval epigrams of Hērakleitos (the unity of opposites etc), and altogether more succinct than the *On War* of Karl von Clausewitz. To be sure, the latter is altogether superior intellectually because Clausewitz explains his reasoning step by step starting from first principles in a manner at once systematically philosophical and exhilarating, while the *Art of War* baldly presents its prescriptions in an oracular manner. The former therefore offers methodology lacking in the latter, but there is no doubt that it too conveys the same (paradoxical) truths, and far more expeditiously.

4.

What makes an excellent text potentially very misleading and even dangerous ---along with some of the other Chinese strategic literature of ancient origin<sup>50</sup> ---is the *context* of the prescriptions: the two and a half centuries or so of the “Warring States” period: *Zhànguó Shídài*: 战国时代 that ended with the unification of 221 BCE. That Homeric chariots are the principal instruments of combat in the *Art of War*, even though fully fledged cavalry of lancers and mounted archers had by then reached Chinese lands, is of course entirely irrelevant ---strategic concepts outlast any technology.

5.

What is highly consequential is that all the protagonists were Han Chinese states operating within the same broad framework of cultural norms, priorities and values. Because their inter-state relations were intra-

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<sup>49</sup> When a French edition by the Jesuit Jean Joseph Marie Amiot was published; a Beijing resident, Amiot paraphrased a Manchu translation and commentary for his rendition. His edition was successful enough to be reprinted a few years later.

<sup>50</sup> The corpus extends much beyond the seven texts of the Song dynasty canon; one text, the art of war of *Sūn Bīn* (孙膑兵法), of ancient fame was only rediscovered in 1972, in the form of excavated bamboo strips.

cultural, there were exceptionally ample opportunities for diplomacy, espionage, secret operations and political subversion alike, all of them both facilitated and bounded by a common language, a common mentality and shared cultural premises.

6.

It was much the same in Renaissance Italy, whose states likewise engaged in intra-cultural war, diplomacy and subversion on a continuous basis.

The result in both cases was the swift alternation of conflict and cooperation between states that could make and break alliances with equal ease, fighting each other one day only to become allies the next--- because there was no accumulation of ethnic, racial or religious animosity between fellow Italians, or fellow Chinese.

Moreover, when they did fight, the essential similarity of their force-structures and tactics enhanced the ritualistic element in their combat.<sup>51</sup>

7.

A highly abbreviated account of just one short phase (301-284 BC) of the Warring States period is sufficient to illustrate the nature and implications of intra-cultural war and peace.

In 300 BCE, chief minister Mengchang (*Mèngcháng Jūn*: 孟尝君) of the state of Qi formed an alliance with the states of Wei and Han. The state of Qin, weakened by internal strife submitted to the Qi, Wei and Han coalition, appointing Mengchang as its own chief minister.

Two years later, the state of Zhao persuaded Qin to leave the coalition, driving out Mengchang. But then Qi, Wei and Han, attacked Qin, and after much fighting gained territory for the states of Han and Wei.

Mengchang's coalition, centered on his own Qi, next defeated the states of Yan and Chu.

In 294 BCE Mengchang was defeated in a court intrigue and fled to Wei. Qi and Qin then made a truce, which allowed Qi to attack the state of Song and Qin to attack the reduced Han-Wei coalition.

Six years later, Qi and Qin were planning a joint attack on Zhao, when the Qi ruler was persuaded (by a possible Yan agent) that only Qin would benefit; instead of attacking Zhao, he started forming a coalition against

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<sup>51</sup> Practitioners of course rarely recognize the ritualistic element in what they do, but it can be discerned by straightforward bureaucratic analysis.

Qin. In danger of isolation, Qin responded by giving back territory it had seized from Wei and Zhao.

In 286 BCE, Qi seized the entire state of Song, alarming the states of Qin, Zhao, Wei and Yan, which promptly formed a coalition under the guidance of Qi's very own former chief minister Mengchang from his Wei exile. Yan next launched a powerful surprise attack on Qi which also came under attack by Qin, Zhao, and Wei losing most of its territory.

Next Zhao and Qin started a long war which allowed Qi to recover .... and so it went on, and on, and on, much as in Renaissance Italy.

8.

It is theoretically possible that the propensity of Chinese officials to constantly cite the strategies and stratagems of the Warring States period as exemplary lessons in cunning statecraft, diplomatic finesse and the art of war; and also the commendation of the most successful protagonists as the great masters of statecraft, intrigue and war; and also the worshipful admiration of Sūnzǐ's *Art of War*, are nothing more than antiquarian poses, with no effect at all on the actual conduct of contemporary Chinese rulers and officials.

By the same token, it is theoretically possible that their Renaissance origins have no role in shaping contemporary Italian political practices, even though they are characterized by the same propensity for abrupt realignments that transform coalition partners into opposition leaders, and sometimes back again in short order (*transformismo* is the term; fittingly, there is no English equivalent).

But in both cases, the theoretically possible is contradicted by empirical evidence.

9.

The first detectable residue of the Warring States/*Art of War* mentality, or rather of the misapplication of intra-cultural norms to inter-cultural conflict, is the presumption of unlimited pragmatism in inter-state relations. Just as Qi, Qin, Zhao, Wei & Yan could be allies one day, enemies the next, and then perhaps allies again, simply because at each remove it was the profitable thing to do, Chinese foreign policy is apt to assume that foreign states can be just as practical and efficiently opportunistic in their dealings with China.

But inter-cultural foreign relations are not the same as intra-cultural relations. Because there is no common identity but instead there are clashing national sensitivities, any inter-state confrontation on any issue that is more than narrowly technical can arouse the emotions, generating fears, resentment or mistrust as the case might be, and necessarily affecting relations with the state in question across the board. Yet the December 15-17, 2010 visit of Prime Minister Wēn Jiābǎo 温家宝 to India already cited was evidently premised on the belief that the Indians would simply set aside the sharp disputes over the status of Kashmir and rival territorial claims *-which the Chinese themselves had unilaterally revived -*to smartly pursue business opportunities in China; for the purpose, as noted, Wēn Jiābǎo was accompanied by some 400 businessmen. But the Indians are insufficiently pragmatic to behave as Qi, Qin or Zhao might have done, and the visit unfolded in a chilly atmosphere, with nothing much accomplished, and certainly no goodwill gained by what was officially presented as a goodwill visit.

10.

Exactly the same misapplication of norms has occurred as often as there have been confrontations of late, most notably perhaps the September 7, 2010 incident near the Senkaku islands (Diaoyutai to the Chinese, 钓鱼台群岛). This was followed by inflammatory Chinese Foreign Ministry declarations which duly produced anti-Japanese agitations, the arrest of some visiting Japanese executives, a *de facto* embargo on rare-earth exports to Japan<sup>52</sup>...and very soon thereafter, by Chinese Foreign Ministry statements that recalled the importance of Chinese-Japanese economic relations, called on the public to stop anti-Japanese demonstrations, and invited the Japanese to continue investing in China. It was different for the Japanese of course : the incident resulted in a long-term reappraisal of Japanese relations with China across the board, and a drastic reversal in the recent trend that seemed to be re-aligning Tokyo towards Beijing and away from Washington. Only the March 11, 2011 disasters diverted Japanese attention from the “China problem”, and then

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<sup>52</sup> A spectacular policy error given China’s own dependence on uninterrupted raw material imports, and strong evidence of strategic incompetence.

only to intensify efforts to further consolidate relations with the United States.

11.

A second and related residue of misapplied *Art of War* / intra-cultural norms which distort China's conduct, is potentially more dangerous. This is the tendency of Chinese officialdom to believe that festering inter-state disputes can be resolved by deliberately provoking crises, whose resolution will set new rules that settle the dispute.

12.

A typical example arose in conjunction with the long-standing and unresolved Arunachal Pradesh/ "South Tibet" Zàngnán,, 藏南 dispute. In May 2007, one year after the two sides had negotiated an overall negotiating framework, China abruptly denied a visa application from a Ganesh Koyu, an Indian citizen and elite civil servant of the Indian Administrative Service (IAS) born in Arunachal Pradesh, stating that since his birthplace in "South Tibet" is part of China, he would not need a visa to visit his own country<sup>53</sup>.

The applicant was one of 107 young IAS officials who were to tour China as part of their training, one expression of the striving of Indian officials to comply with the spirit of the 2006 Sino-Indian framework agreement for the negotiation of all outstanding issues between the two countries. This was not an incident or accident, and the Chinese consular official who refused to accept the visa application was not acting on his own initiative, but under orders from Beijing. Evidently, the purpose of the visa denial was to provoke a crisis that would then be resolved by negotiations. But the Indian government refused to enter in any such negotiation; instead it withdrew all 107 visa applications, cancelled the trip altogether, and.... edged closer to the United States.

13.

Having gained nothing, six months later in December 2007, China's consular officials reversed themselves to grant a visa to a Professor Marpe Sora, also born in Arunachal Pradesh.<sup>54</sup> In the process, Indian

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<sup>53</sup> "China denies visa to IAS officer". CNN-IBN. 2007-05-25

<sup>54</sup> "A thaw? China lets Arunachalee visit" TNN, Dec 9, 2007, 12.01am IST

public opinion had been aroused and outraged, reducing public support for cooperative relations with China in general.

14.

More dangerous are the periodic Chinese attempts to claim the entirety of the vast oceanic expanses and miniscule dry surfaces of what is officially described as the Hainan Province Paracels, Spratlys, and Zhongsha Islands Authority“海南省西沙群岛、南沙群岛、中沙群岛办事处”, a county-level (ie. very local) agency that paradoxically is supposed to exercise sovereignty over three disputed archipelagoes in the South China Sea, two of which are not merely claimed by other countries but in part actually occupied –or more truthfully, outposted by Malaysia, the Philippines, Vietnam, and Taiwan as well as China.

15.

Moreover, the Chinese have frequently engaged in intimidation tactics at sea, against fishing boats, official vessels, and drilling rigs alike. With firepower ruled out, the Chinese method has been to deploy much bigger vessels on the scene than those of the other side, to overawe at least and sometimes to physically induce retreat by threatening collisions. Again, the purpose of these provocations is not to escalate towards war, but rather to create crisis conditions meant to force the other side to focus on the issue, and the need to finally resolve it. That is all very well, but in the process of provoking a crisis, the Chinese cannot avoid alerting, alarming and mobilizing elite and even mass opinion--which then rarely favors concessions.

16.

It is very worrisome though not unexpected that Chinese officials seem to have great difficulty in understanding the straightforward nexus that utterly invalidates their method: by attracting attention to whatever is in dispute, crises actually increase its perceived value, making concessions to reach a settlement that much less likely. In other words, to deliberately provoke crises is not a good way of solving inter-state disputes.

17.

A third residue of the *Art of War* mentality that distorts and degrades China's conduct, and which militates against the adoption of a correct grand strategy, is an exaggerated faith in the value of deception as such, as well as of the stratagems and surprise moves that deception allows.



Stratagems and surprise strikes played a very large role during the Warring States period as they did in the Renaissance and for exactly the same reasons: geographic proximity, familiarity, indeed consanguinity, cultural homogeneity-- all of them facilitate methods that require in-depth knowledge of the adversary, and easy access.

18.

The obvious merit of these methods is their low cost and capacity to generate high payoffs--they amount to extreme cases of maneuver warfare as opposed to attrition. They are also expressions of asymmetrical warfare in a maneuver mode, of which the most extreme case is to fight an enemy state by "decapitating its command & control" ie. by killing its ruler. In 222 BCE, Qin conquered Zhao and threatened Yan. Instead of an army, the Yan sent the celebrated scholar and assassin Jing Ke 荆軻 to kill the ruler of Qin with a poisoned dagger concealed in a presentation map roll<sup>55</sup>. He might have succeeded but for the intervention of the court doctor, armed with a medicine box; the infuriated Qin rulers sent an army that conquered Yan.

19.

This example illustrates the obvious defect of all such methods: all forms of maneuver warfare asymmetrical or not are not only high-payoff but also high-risk, and proportionately so.

20.

The fewer the resources committed, the less the redundancy, the smaller the element of brute force, the greater is the efficiency of action, but reliance on very favorable circumstances and very precise execution must also be greater. Only with both can one stiletto or poisoned dagger do the work of many swords --when everything works exactly as planned.

21.

Because very fortunate circumstances are unusual by definition while precise execution is a rarity amidst the urgencies of conflict, assassination

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<sup>55</sup> The protagonist of an unwatchable film extravaganza ("Hero" in western distribution) heavily promoted by Chinese authorities :

[http://www.youtube.com/watch?v=WTIrIGI-lvc&feature=youtube\\_gdata\\_player](http://www.youtube.com/watch?v=WTIrIGI-lvc&feature=youtube_gdata_player)

along with all other forms of covert action has always been relegated to a very minor role in Western strategic thought and indeed practice. Not so in Chinese strategic literature, in which many prescriptions of the *Art of War* are predicated on deception, indeed the way (*Tao*) of war is equated with the way of deception;<sup>56</sup> and even assassination as such is accorded some prominence : in China's first systematic historiographical work, the monumental *Shiji* 史记, *The Records of the Grand Historian* (or *Grand Scribe*) of Sima Qian (Ssu-ma Ch'ien), 司馬遷, an entire volume (the 86th), is dedicated to *The biographies of the Assassins* (刺客列傳), including Jing Ke<sup>57</sup>.

22.

The most dangerous possible confluence of misapplied intra-cultural norms, and of misplaced faith in the *Art of War* modalities, would be a Chinese attempt to achieve a diplomatic victory by a military *fait accompli*, a self-contained, surprise action that would already have ended at the outset of the crisis. It may be hoped that speculations about the merits of attacking a US warship, even an aircraft carrier, to affirm China's attempt to extend its maritime jurisdiction are merely adolescent fantasies. But it is not especially reassuring that some can be attributed to serving officers of more than junior rank, nor is it reassuring that until quite recently at any rate, Chinese warships saluted on the high seas by US Navy vessels did not reciprocate and instead switched on fire-control radars.

23.

When it comes to broad strategic deception, especially when aimed at Americans and the United States, the confidence of Chinese rulers and officials in its feasibility and usefulness, is much enhanced by the contrast between their self-images and images of Americans and the United States.

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<sup>56</sup> In the opening section. See more broadly: Ralph D. Sawyer with the collaboration of Mei-chun Lee Sawyer: *The Tao of Deception : unorthodox warfare in historic and modern China* (2007).

<sup>57</sup> Translated in: Burton Watson *Records of the Historian* (1969) p. 175 ff. More broadly: Ralph D. Sawyer with the collaboration of Mei-chun Lee Sawyer: *The Tao of Spycraft : Intelligence theory and practice in traditional China* ( 2004) . pp 249 - 285

In another left-over from the tributary past, the Han usually attribute superior cunning to themselves as compared to the non-Han of the world, as well as more elevated virtues, of course. Americans on the other hand, they see as especially naïve, also strong and perhaps violent but easily manipulated:

"It is not easy to really know China because China is an ancient civilization.. [whereas] the American people, they're very simple [or naive, or innocent -- 非常的单纯 in the original]"

Thus spoke Vice-Premier Wang Qishan 王岐山 on May 11, 2011 while in Washington as head of the economic side of the annual China-US strategic and economic dialogue, extemporaneously in a television discussion <sup>58</sup>. That was not an unusually arrogant statement for a Chinese official. Even miserable clerks routinely say that China and the Chinese are too sophisticated to be understood by non-Chinese.

Given this estimate of American discernment, it could well be thought in Beijing that the simplest form of deception --mere concealment, as in the familiar injunction *taoguang yanghui* 韬光养晦 "hide one's capacities and bide one's time" --could be quite sufficient.

24.

Regrettably, it would appear that this assessment has so far proved to be correct. Over the years, it was triumphantly confirmed as the Chinese watched with increasing incredulity the absence of any American attempt to impede the rise of China, and to the contrary, the many and varied US contributions to China's rapid economic growth, starting with the unilateral opening of the US market to Chinese exports, and then the energetic promotion of China's membership of the World Trade Organization, and all without demanding anything resembling full reciprocity.

Indeed Chinese unfriendly to the United States have never ceased to spin theories to explain its apparent benevolence as actually malevolent, in a projection of their own propensity for strategic deception. In one version, the US vigorously promotes the globalization of the Chinese economy to

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<sup>58</sup> *The Charlie Rose Show* PBS May 11, 2011

make it utterly dependent on imported hydrocarbons and raw materials, so that when the time is ripe the Chinese and their government can be subjugated by the mere threat of interrupting the flow of sea-borne imports. In another version, the US ruling class relies on cheap Chinese imports long enough to subjugate its own working class before turning on China--and that explains why the deceptively benevolent phase has lasted so long.

25.

Even Chinese who bear no hostility to Americans may still give credence to one of the malevolent explanations, simply because nothing else makes sense to them – why else would the US Government go out of its way to accelerate China’s rise? Themselves newly emancipated from dogmatic ideology, not many Chinese appreciate even now how rigidly ideological is the framework of US economic policy, especially when it comes to “Free Trade” – this is an ideology within which protectionism is viewed as a mortal sin rather than as a policy option among others, and in which any consideration of long-term structural consequences (e.g. de-industrialization) is deemed irrelevant given the principled refusal to intervene in any case.

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## X. Strategic competence: the historical record

1.

Many foreigners<sup>59</sup> and not only themselves are inclined to attribute great strategic competence to the Han Chinese, but the historical record rather proves the contrary.

That should not be surprising. Great-state autism, the misapplication of intra-cultural tactics, tricks and techniques to inter-cultural conflicts, the ritualistic conduct of warfare, and the fixed *Tianxia* 天下“ presumption of superiority, were all obstacles to the situational awareness of Chinese rulers, their ability to formulate realistic grand strategies, and to implement them effectively by diplomatic or military means.

Hence while the Han have long viewed themselves as great strategists, they were regularly defeated by enemies neither numerous nor advanced, some of whom were not content with subjecting frontier areas to their rule, instead proceeding to conquer all the remaining lands settled by the Han. Indeed Han rulers have ruled China for little more than a third of the last millennium.

2..

The last dynasty, the Qīng 清朝, whose conventional dates are 1644 to 1912, was established by Tungusic-speaking Jurchen nomad-warriors of forest and tundra lead by their Aisin Gioro clan, which invented *Manchu* as a new ethnic name (“strong, great.”) in 1635, before choosing the auspicious title *Qīng* (“clear”) for their dynasty in 1644<sup>60</sup>.

Till the very end, the Manchu rulers preserved their separate ethnic identity complete with their own language and alphabetic script, derived from the Aramaic alphabet via Sogdian, Uyghur, and the Mongol script; it can still be seen around Beijing in the Qing signboards affixed on historical buildings.

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<sup>59</sup> Henry A. Kissinger's *On China* op.cit. starts with a fawning dithyramb to the far-sighted strategic wisdom of the Han, personified by Mao Zedong, and conceptualized by the inevitable Sunzi (p.25, as Sun Tzu).

<sup>60</sup> Actually *Aisin Gioro* (Golden clan) was also a new invention; Giovanni Stary “The Meaning of the Word “Manchu” A New Solution to an Old Problem “ *Central Asiatic Journal* 34 no.1-2 (1990) pp. 109-119.

(The nationalist claim that the Manchu were quickly and completely assimilated , so that their victories and power were in reality Han victories and Han power , no longer has scholarly standing).

It was the Manchu who established the borders of contemporary China, by gradually conquering the diverse territories that now form *Xīnjiān* 新疆, by encompassing the Mongol tribes, whose descendants are now a minority in Inner Mongolia, and by asserting a mostly nominal suzerainty over Tibet.

3.

China under the Manchu was thus nothing more than a conquered land alongside the others, yet in contemporary Chinese consciousness the borders of China are those of the Manchu empire at its peak, achieved with the completion of the conquest of the vast territory of Dzungaria in 1761, under the Qianlong emperor (乾隆帝).

It is an interesting case of transposition, but with Manchu garrisons distributed in every Chinese province as occupation troops in effect , Han contemporaries knew full well that they were not the protagonists of empire, but its conquered subjects. Yet today the Han have proprietary feelings over the non-Han lands conquered by the Manchu – by the same token Indians could claim Sri Lanka because both were ruled by the British.

4.

The Ming dynasty ( 明朝) that preceded the Manchu ruling from 1368 to 1644 by conventional dating , was impeccably and entirely Han but it had succeeded the decidedly alien Mongol occupation. Under Kublai Kan ( Qubilai Qan) grandson of Genghis Khan, the Mongols assumed the symbols and style of Chinese imperial rule as the Yuan dynasty ( 元朝) , whose conventional dates are 1271 to 1368. Again, the sophisticated Han had been unable to keep out the rude Mongols, and had to live under their dominion , destructively predatory at first, and severely extractive even at its best ( not least to pay for the famous network of road-forts cum postal relay and remount stations).

Moreover, in China north of the Yangtze river it was not Han rule that preceded the Mongols, but rather another Jurchen dynasty, the Jin ( 金朝)

established by the Wányán clan that originated in the forest-lands of Manchuria, and whose conventional dates are 1115-1234. The Han dynasty of the Songs persisted in the south, but the Han of the historic core of China centered on the Yellow river , Huang He (黄河) lived as subjects of foreign conquerors whom they had been unable to defeat and keep out of their lands.

5.

In the north above the Yellow river, including “the sixteen prefectures” (燕云十六州) around and beyond Beijing , the predecessors of the Jin were also non-Han, but rather Khitans ( or Qitans), originally Mongolic nomads and mounted archers from the northern steppes. Under the leadership of their Yelü clan, they established the Liao dynasty (辽朝), conventionally dated 907 – 1125, but it is to their original ethnic name that we owe China’s now stylish antique appellation Cathay, which is Marco Polo’s *Catai* Englished but not Marco Polo’s personal conceit, because *Kitai* , *Qitay* or *Khitad* or *Hitai* is how China is still known going westwards all the way to Bulgaria. Not today a well remembered ethnic name , the Khitans or Qitans evidently made a great impression in their time.

6.

Even the Tang Dynasty (唐朝) which preceded the Song (618-907) ,and which is often viewed as quintessentially “Chinese” included a very strong Turkic-Mongol element ( splendidly revealed in the ubiquity of horses, horsemen and dashing horsewomen in its arts). Prominent field commanders drawn from Central Asia’s ultimate fighting elite , the wolf-reared Ashinas clan (阿史那 (heroes till now to Turkey’s ultra-nationalists) were an important presence in the elegance of the Tang imperial court.<sup>61</sup> Han field commanders would have been more familiar with the *Art of War* and kindred military texts , some Han commanders were highly effective, and one was the greatly celebrated, Li Jing (李靖) 571-649.

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<sup>61</sup> Exemplars of Chinese civilization though they were, the Tang had some decidedly Turkic tastes, as the profusion of horse imagery shows in their art--and yoghurt was the favorite tipple.

Yet Tang emperors often preferred to rely on the practical skills of their Ashina-clan field commanders.

7.

What emerges very clearly even from this extremely fragmentary review of China's political history –much of which is not Han history but rather Jurchen, Mongolic or Turkic – is that the continuing superiority of the Han in all forms of civilian achievement was not matched by their strategic abilities. The Han could produce more and better food with earth and water than any other nation on earth, they could build the most sophisticated cultural and technological superstructure on that material base, but more often than not (twice more often, at least) they could not assess the external environment realistically to identify threats and opportunities, nor could they develop effective grand strategies to muster their relatively abundant resources, to assure the safety of their lands, populations, and themselves.

8.

Strategic competence was evidently not included in the long list of Han accomplishments, with the result that while Han generals in charge of large armies were busy quoting Sunzi to each other, relatively small numbers of mounted warriors schooled in the rudely effective strategy and tactics of the steppe outmaneuvered and defeated their armies. Moreover, Han intrigues and subterfuges proved vastly inferior to the long-range and large-scale diplomacy that came naturally to the steppe rulers, who regularly coalesced with or against even very distant empires. In the past, the evil consequences of these shortcomings could only be amplified by persisting delusions over the merits of Han strategic culture. Unfortunately, judging by the frequency of Warring States quotations in the discourse of Chinese officials, it seems that the delusions persist.

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Note: the life-cycle of Chinese regimes.

What also emerges from the historical evidence is the recurrent cycle that weakened dynasties and prepared the way for their destruction: strong dynasty =- internal peace, law and order; peace > economic growth;



economic growth > income and wealth differentiation, the rise of the local rich; wealth differentiation > transfer of land-ownership from small-holders to richer landlords. Having become share-croppers and landless field laborers, the ex-peasants become bandits when harvests fail; bandits become local rebels ; local rebellions merge when charismatic leaders emerge (none more so than Zhu Yuanzhang 朱元璋, who started off as a landless laborer, rose in rebel leadership and founded the Ming dynasty in 1368 as the Hongwu: 洪武帝 emperor.

Along the way, there is an inner cycle of decay that starts with wealth differentiation which leads to the rise of local oligarchs who increasingly control local government, which allows them to accumulate yet more wealth... And within that, there is the innermost cycle of officialdom itself, which starts with scholar-officials who take Confucianism and its obligations seriously, thereby assuring law and order, which leads to wealth differentiation, which allows the rich to support their children through the examination system until they become officials in turn, who then use their power to further enrich their families . Current social realities are probably not coincidental.

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## XI Conclusion number one: the inevitability of mounting resistance.

1.

The first conclusion, further confirmed by the contents of two recent, full-scale programmatic documents that present China's military and foreign policies,<sup>62</sup> is that the Chinese leadership fully intends to persist in pursuing incompatible objectives : very rapid economic growth, *and* very rapid military growth, *and* a commensurate increase in global influence. It is the logic of strategy itself that dictates the impossibility of concurrent advances in all three spheres: inevitably, China's military aggrandizement is already evoking countering responses -- all the more so because it is so rapid of course. Those responses in turn are already impeding and will increasingly impede China's concurrent advancement in all three spheres, economic, military, and diplomatic , albeit no doubt in varying degrees.

That much is axiomatic so long as independent states persist among China's neighbors and peers.

As of now, and these are early days of course, its rapid military aggrandizement is already evoking hostility and resistance instead of gaining more influence for China.

2..

What remains to be determined -- and Part B below is an attempt to provide some of the answers --are the forms, extent, contents, timing and intensity of the countering responses of individual countries, and whether and how their separate efforts are likely to be coordinated or even combined by pairs of countries, perhaps by ad hoc groups of countries, or even by an organized multi-lateral alliance under US leadership--though that is a prospect not merely very unlikely but also very undesirable for it could even drive the Russian Federation into the Chinese camp, and that could be decisive in itself .

3.

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<sup>62</sup> "China's National Defense in 2010 " Issued March 2011, and State Councillor Dai Bingguo: "Adhere to the path of peaceful development " *Jianchi zou heping fazhan zhi lu* Released :6 December 2010

The logic of strategy is not self-executing but it does lead leaders, hence some countering responses to China's rise are already underway, in spite of the absence of any sort of declared national policies, and still very embryonic attempts at inter-state coordination (while some initiatives may have been dissuaded by premature attempts at coordination).

Just in the last twelve months, these organic responses to perceptions of an increasingly strong and potentially menacing China have included:

--- the initiation of a strategic dialogue between India and Japan –that has already resulted in practical measures, e.g. provisions for increased reciprocal attendance at military schools, and closer Intelligence cooperation focused on China;

--- Japanese aid to Vietnam, also aimed at strengthening its ability to resist Chinese maritime encroachments;

---the visit to Japan of an Australian Prime Minister who arrived with a decidedly strategic agenda explicitly aimed at China;

---a strengthening of Philippines maritime activity to protect claims over Spratly islands;

--- the continued, albeit glacially slow, re-orientation of overall US military efforts from tea-drinking in Afghanistan to the containment of China; and other spontaneous, uncoordinated, almost instinctive US reactions to China's rapid military aggrandizement.

4.

The possible roles of individual countries in a China/anti-China world as well as organizational arrangements between them if any, are addressed in Part B below.

But the major question must be the *nature* of the countering action.

Responses confined to the military sphere, by way of precautionary force-building, counter-deployments and such cannot long be adequate on their own. If the Chinese economy continues to grow very much faster than that of its neighbors and peers, and if the percentage of China's GDP allocated to military expenditures is constant, any countering force-building and counter-deployment efforts would soon be outclassed.

In the meantime, China's rivals could even fall behind if they consume more resources for military preparations that lead to nothing yet still consume resources that could have been invested for economic growth.

5.

Nor is anything resembling a general China/anti-China war at all likely in the nuclear age : China may be making exactly the same colossal error as Imperial Germany did after 1890, but this is not a devolution that ends with another 1914. The existence of nuclear weapons does not preclude all combat between its possessors, but does severely limit its forms as each participant is compelled to foreclose or at least contain the risks of escalation to the nuclear level. That could still allow China to engage in inherently localized combat with India in the form of border skirmishing, and perhaps it could allow more extensive military action against a non-nuclear state, albeit with the lively possibility that it would be assisted by the United States or the Russian Federation if that state were Mongolia, or one of the Central Asian republics.

6.

Preparations to deter, and if needs be defend, against the possible military actions that the nuclear inhibition would still allow for China – not an attack on Japan for example, or anything more than a localized border war with India ---are necessary of course, to dissuade these attacks or at least deny escalation dominance to the Chinese.

But such necessary preparations cannot be sufficient –they cannot embody all the resistance that China must arouse if both its rapid economic growth and proportionate military aggrandizement persist in coming years.

The axiom that independent states will resist losing their independence by all possible means will inevitably be expressed in the only way that the impossibility of large-scale war still allows, by “geo-economic” means -- the logic of strategy in the grammar of commerce, as explicated above, and detailed below. If China persists in using its economic growth to acquire proportionate power as well, developing harmoniously internally while disrupting power balances and harmony externally, the response

must be aimed at impeding its economic growth, if it is to be to be effective at all.

Military expenditures by contrast might be not only irrelevant but even counter-productive, if they end up accelerating the relative speed of China's economic growth.

The ineluctable necessity of slowing down China's economic growth will be more easily accepted by other countries more inclined to mercantilist approaches, but for the United States, it will collide with a most sacrosanct ideological dogma, as well as with politically important economic interests. *But strategy is stronger than politics.*

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## XII Conclusion number two: why current policies will persist

1.

China's persistence on its path towards vast troubles if not ruin, as it exceeds its culminating level of un-resisted achievement, is "over-determined" by a multiplicity of factors:

2.

"Great-state autism" which diminishes situational awareness, a malady shared with the United States and the Russian Federation as well as India, but at least proportionately greater in the Chinese case at least, and much aggravated by relative inexperience on the international scene.

The specific effect is to reduce the ability of the regime as a whole to perceive international realities with clarity, and notably the mounting hostility tracked by opinion polls.

3.

Historical residues in China's external conduct, deriving from the tributary system and the presumption of centrality within the concentric circles of the *Tianxia*.

The specific effect is to inspire heavy-handed conduct, and to induce under-estimations of the importance of the mounting resistance that passes the autistic barrier and is perceived.

4. Ressentiment, both popular and CCP elite hostility directed at outside powers, often well concealed but strongly felt and sometimes abruptly expressed, derived from the century or so of China's weakness with the resulting intrusions and invasions, but more deeply perhaps from centuries of Han subjection to culturally inferior alien conquerors. The specific effect is to induce powerful emotional opposition to the very idea of limiting China's military aggrandizement, even if at some level there is a degree of intellectual recognition of its inevitable consequences.

4

The influence of the PLA and the military-industrial establishment on Chinese policies and conduct. There is no need to engage with the complexities of the subject to presume that the PLA and related interests would not support the abandonment China's proportionate military

growth, to instead favor the military stagnation that would best serve China. Given the current level of military capabilities, the PLA's declared policy of continued, rapid growth is quite understandable, and it seems that it is also supported by public opinion. Alas, the logic of strategy often calls for policies that are unpalatable, and sometimes downright unnatural.

5.

The multiplicity of other expressions of Chinese power ---organizations able and willing to pursue expansionism perhaps for their own purely internal motives, notably including the state-owned enterprises, but also integral parts of the state apparatus.

Without listing each organization, consider what just one lowly part of the government structure, the law-enforcement command of the Administration of Fishery and Fishing Harbor Supervision 中华人民共和国渔政渔港监督管理局, officially part of the Ministry of Agriculture can do all on its own. Even while goodwill missions and charm offensives were all the rage at the end of 2010 after a rough year for Chinese diplomacy, on December 26, Zhao Xingwu, director of the fishery administration (here FA) energetically declared in quite the opposite direction:<sup>63</sup>

China will intensify management of the fishing industry in its territory. Normal patrols to safeguard fishing around the Diaoyu Islands in the East China Sea [*= Japan's closely patrolled and now garrisoned Senkaku Islands*] will be organized in 2011. Protection of fisheries through accompanying patrols will be improved around the Nansha Islands .. to crack down on illegal fishing .

6.

The Nansha so blithely cited are the Spratly islands, more of which are

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<sup>63</sup> Ministry of Agriculture, Posted announcement, . December 26 2010 "China Fisheries Get More Protection"

outposted or garrisoned by Vietnam, Malaysia, the Philippines and Taiwan than by China.

The FA already has a formidable fleet with 2,287 ships and boats, including 528 built just in the past five years, including the very modern 2,500 ton *Yuzheng 310* long-range corvette, But evidently the FA is far from satisfied. Zhao Xingwu's speech proceeded to make that clear:

Current Chinese patrol ships are too small, and cannot guarantee long-distance escort trips... Sea patrols are different ..because if anything happens [= incidents] it takes much longer for backup forces to reach the scene, and if the vessels themselves aren't sufficiently prepared there's no other resources they can turn to, and that makes it difficult to deliver timely protection .

7.

The FLA's *Yuzheng 310* is not small at 2,500 tons and in any case there is also the 4,000-ton *Yuzheng 311*. As for "other resources" there is the 15,000 ton replenishment ship *YuZheng-88*. -these are all substantial naval combat vessels, repainted in white . Whatever China's top leaders may say at summit meetings about harmonious collaboration, it is evident that Mr. , Zhao Xingwu has his own plan: get more ships (and aircraft), be more active in asserting Chinese power over contested seas, achieve escalation-dominance when incidents ensue.

8.

There is worse. The most active and more consistently aggressive Chinese Maritime service is not the FA but rather the China Maritime Surveillance (CMS) organization 中国海监 *zhongguo haijian* of the State Oceanic Administration 国家海洋局 .

Its primary mission is to patrol China's exclusive economic zone - the 200 nautical mile zone around every speck of land that is itself claimed territory (that is why China is now claiming much of the South China Sea segment of the Pacific Ocean - almost one million square miles including tracts hundreds of miles from its coasts).

The CMS has its own aircraft as well as 3000-ton *Haijian-83* large cutters among other ships, though it is the 1,500-ton *Haijian-51* fast cutters which have more often featured in confrontations with the Japanese.



Nor is the CMS lacking in ambition : its Deputy Director Sun Shuxian has been quoted as saying :

“The force will be upgraded to a reserve unit under the navy, a move which will make it better armed during patrols ... the current defensive strength of CMS is inadequate” .

Accordingly, the CMS is also in the process of acquiring new cutters , some of which are very substantial 4,000-ton warships of commensurate combat value, and thus “better armed during patrols” . .

9.

In addition to the dynamically expansive FA and even more active CMS he there is also the Maritime Safety Administration (MSA) of the Ministry of Transport. With 20,000 operational personnel it actually exceeds both the FA and CMS, while its substantial fleet includes the 3,000 ton *Haixun-11* and *Haixun-31* cutters, not to be confused with the *Haijing 1001* , the most modern vessel of the Maritime Police part of the People’s Armed Police ....

10.

Thus the Standing Committee of the Politburo of the CCP may order the Foreign Ministry to replace arrogant threats with smiling reassurance –as it certainly did at the end of 2010; but to ensure that they too would participate in the effort, avoiding rather than provoking influence, Politburo inspectors would have to remain aboard FA, CMS and MSA vessels, as well as those of the PLA Navy (whose passing ships have been known to reply to the standard underway greeting by silence –while switching on their fire-control radars. )

11.

China’s “acquired strategic deficiency syndrome”, whereby both ordinary common sense and a weary awareness of the paradoxical logic of strategy are displaced by gross over-reliance on deception and gamesmanship. China’s ASDS derives from the aforementioned strategic un-wisdom of the ancients which generates unwarranted confidence in the ability of the Chinese government to dissuade resistance by strategic deception, and to cleverly outmaneuver such resistance as is manifest nonetheless.

The specific consequence of China's ASDS at this time, when China's ascent is still fragile in some respects, or at any rate not yet irresistibly consolidated, is to dissuade the one and only correct counter-measure to rising global resistance, ie. the mitigation of its cause by slowing aggrandizement. Instead, China's ASDS favors ultimately counter-productive maneuvers to contain resistance by deception and subversion. 12..

The significance of each one of the factors listed above in keeping China on its present course is debatable of course, and perhaps they are all less important than is here suggested. *But there are so many of them.* As against their powerful multiplicity, there is only a dimmed perception of mounting opposition to China's aggrandizement, and the misapprehension and under-estimation of its consequences, which indeed evoke more *ressentiment* and hubristic contempt than prudent restraint. <><><>

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## # Part B PROTAGONISTS AND MODALITIES OF RESISTANCE

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### I AUSTRALIA : weaving a coalition.

1.

All states invariably assert formal claims to absolute sovereignty, but not all states are possessed of political cultures equally refractory to any subordination to a foreign power – some are selective.

Legal barriers to specific foreign activities may be effective within their remit in any case, e.g. cabotage restrictions, but an abundance of legal barriers to foreign activities suggests that the political culture is *not* so refractory to foreign influence, and the same is true of excessively explicit national sensitivities-- those are the very countries most likely to be subservient to greater power.<sup>64</sup>

2.

Australia is not of that ilk, and moreover for all its ever-increasing ethnic diversity, it fully retains the Anglo-Saxon trait of bellicosity. Only that quality can explain how a country so very far removed from all but one of the world's conflict zones has sent its troops to fight in so many wars since 1945: the Korean War, the Malayan Emergency, the Indonesian Confrontation, the Vietnam War, combat in Somalia, the East Timor intervention, the Solomon Islands intervention, and the protracted wars in Afghanistan and in Iraq.

3.

It is not surprising therefore that Australia has been the first country to clearly express resistance to China's rising power, and to initiate the coalescence against it that are mandated by the logic of strategy.

Already in 2008, when the self-imposed restraints of "Peaceful Rise" were still in effect, that is before the hubristic turn in Chinese conduct, the Australian government was redacting *Defending Australia in the Asia-Pacific Century Force 2030; Defence White Paper 2009* (not an annual event, there is no 2010 edition).

4.

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<sup>64</sup> The phenomenon is most obvious in Latin America, with its abundance of *de jure* restrictions on foreigners (including fellow Latin Americans) which coincides with *de facto* pliancy.

Chinese officials have very persistently denounced the *White Paper* as alarmist and inflammatory (most recently once again in April 2011). That is interesting in itself because to the contrary, the authors were evidently striving hard to present a well-balanced assessment in the most moderate language, as may be seen by perusing the complete segment on China, under the heading “Strategic Implications of the Rise of China”:

“ 4.23 Barring major setbacks, China by 2030 will become a major driver of economic activity both in the region and globally, and will have strategic influence beyond East Asia. By some measures, China has the potential to overtake the United States as the world's largest economy around 2020. However, economic strength is also a function of trade, aid and financial flows, and by those market-exchange based measures, the US economy is likely to remain paramount.

4.24 The crucial relationship in the region, but also globally, will be that between the United States and China. The management of the relationship between Washington and Beijing will be of paramount importance for strategic stability in the Asia-Pacific region. Taiwan will remain a source of potential strategic miscalculation, and all parties will need to work hard to ensure that developments in relation to Taiwan over the years ahead are peaceful ones. The Government reaffirms Australia's longstanding 'One China' policy.

4.25 China has a significant opportunity in the decades ahead to take its place as a leading stakeholder in the development and stability of the global economic and political system. In coming years, China will develop an even deeper stake in the global economic system, and other major powers will have deep stakes in China's economic success. *China's political leadership is likely to continue to appreciate the need for it to make a strong contribution to strengthening the regional security environment and the global rules-based order.* [ Italics added] .

Here the authors are proactively encouraging the Chinese to act moderately, in the guise of predicting that will so act.

4.26 China will also be the strongest Asian military power, by a considerable margin. Its military modernization will be increasingly characterized by the development of power projection capabilities. A major power of China's stature can be expected to develop a globally significant military capability befitting its size. But the pace, scope and structure of China's military modernization have the potential to give its neighbors cause for concern if not carefully explained, and *if China does not reach out to others to build confidence regarding its military plans.* [ Italics added]

Here the authors are arguing that an emollient diplomacy could offset “China's development of a globally significant military capability”. They do not consider what must happen next: once neighboring countries are duly mollified because the Chinese government has built confidence in its good intentions, how will they react when they see that China continues to pursue “a globally significant military capability” that dwarfs their own ?

4.27 China has begun to do this in recent years, but needs to do more. If it does not, there is likely to be a question in the minds of regional states about the long-term strategic purpose of its force development plans, particularly as the modernization appears potentially to be *beyond the scope of what would be required for a conflict over Taiwan.* {Italics added}

Here the authors set a much lower limit on the magnitude of China's acceptable military strength than the aforementioned “ globally significant military capability” - ie. armed forces that have a regional and not a global reach; that are sized to fight the forces of Taiwan but not those of, say, Japan; and which are functionally limited to what would be needed to conquer Taiwan, rather than to carry out a wider range of military operations.

(At the same time, the authors come close to an implicit affirmation if not endorsement of the tacit pan-Asian consensus that China is entitled to try to seize Taiwan by force of arms, even if it should not do so; for Australia, evidently, as for others in Asia, but not for Japan or the United States, that is implied by the de jure “Once China” position all these countries share).

5.

Since the *White Paper* was published, Australia has been acting accordingly to increase its powers of resistance both by making significant investments in long-range military capabilities<sup>65</sup>, and more consequentially perhaps, by assiduous coalition-building.

6.

The expressed preference of the Chinese government –or insistence if it can get away with it -- is to deal bilaterally with all comers, notably over its maritime claims; that would of course ensure very favorable power balances for the Chinese side at each remove.

Australia's preference is the diametrical opposite : to institute a working system of collective security in East Asia and the Western Pacific that remains undefined but for its priority goal: to ensure that no participating country has to confront China on its own in a territorial or other security negotiation, or actual confrontation if it comes to that.

7.

It is easy to determine that this would require an up and running consultative mechanism, which may or may not be an offshoot of ASEAN, ( such as the "ASEAN Defense Ministers Meeting Plus" .... minus at least one of the "Plus" countries); and in regard to maritime confrontations specifically, it may require standing arrangements for ad hoc gatherings of fishery-protection, coast guard, or even naval vessels. But all this, in regard to what is abbreviated below as "joint talk" and "joint action", remains in the future, still being the subject of bilateral consultations rather than any actual planning

Still, what is already happening is quite sufficient to show that the Australians are determined to redirect their long-standing bilateral dialogues with the countries of interest to the new strategic aim of coalescing to resist China's expansionism.

8.

That much emerges very clearly even from the official presentation of Australian-Vietnamese relations in the joint document issued on

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<sup>65</sup> Notably the acquisition of Boeing 737 NG Wedgetail AEW&C aircraft. Wide-area ocean monitoring is useful for Australia itself, and more so to aid its prospective allies, only one of which, Japan, can provide that capability for itself.

September 7, 2009, whose very title : “Australia – Viet Nam Comprehensive Partnership” is symptomatic of the drive with which both sides are acting. After prior headings on other matters (“ Expanding political ties and public policy exchanges” ; Promoting economic growth and trade development ; “Ongoing development assistance and technical cooperation) , there comes the explicit heading of interest: “ Building defense and security ties” :

Australia and Viet Nam recognize that the security and prosperity of both countries is linked to a secure future for the Asia-Pacific region. Reaffirming their respect for national independence and sovereignty, Australia and Viet Nam will work together in regional forums to develop credible security architecture [ = collective security mechanism] and promote regional confidence-building measures to minimise the risk of conflict in the region.

That is mostly the joint-talk component; next comes the joint-action component:

Australia and Viet Nam will foster greater openness and cooperation in the defence relationship by continued personnel exchanges and human resources training, ships visits and by strengthening the exchange of views on regional and security issues of mutual concern through an annual dialogue between officials from the foreign and defence ministries.

9.

Given that the two sides are cooperating on all sorts of other things including people trafficking (there are resident Australian police attaches in Vietnam), it is interesting to note that on successive occasions they go out of the way to assign a higher priority to the inherently China-directed security relationship; the wording already emerged two years ago , in a Vietnamese government communiqué “Viet Nam marks Army Day in Australia” issued on September 12, 2009 ; after listing the Australian officials attending the ceremonial gathering, it added: “ They all agreed that since the two countries first established diplomatic ties in 1973, they

have both seen major progress in various fields, *especially in security and national defence*. [emphasis added].

10.

The action, China's rise, evokes reaction, in this case coalescence.

Naturally Vietnam, as very much the front-line state, is more advanced on this path than others-- but the others are following.

The complex case of Indonesia is discussed below under that heading, while Australian-Malaysian security relations are the most linear, because bilateral defense cooperation is explicitly identified as such under the formal arrangement of the "Malaysia-Australia Joint Defence Program" which replaced earlier arrangements in 1992. It covers Australian training for Malaysian military personnel, officer cross-attachments, and annual military exercises.

11.

That would already go a long way to preparing the ground for "joint action" to build a system of collective security, in the event that "joint talk" does not dissuade confrontations, but in addition, the 1971 "Five Power Defence Arrangement" (FPDA), although born as a last-gasp expression of Britain's "East of Suez" role remains in force, and more to the point it still works.

Formally, it commits Australia, New Zealand and the United Kingdom "to consult on a response to any armed attack or threat against Malaysia or Singapore", unpromisingly and unabashedly placing the latter in the role of neo-colonial wards. Moreover, since 1971, the United Kingdom has abandoned the last of its far eastern pretensions and New Zealand has retreated from international military activism (e.g. it is present in Afghanistan, but with a "reconstruction team" that includes soldiers, rather than a combat unit). But Australia still forges ahead, having taken over the FPDA as its framework of choice for combined training exercises because it includes Singapore as well. Needless to say, maritime security has been identified as the top priority.

12.

Singapore is not a contender in the Spratly Islands dispute but its government is activist by nature, and fully intends to participate in any



emerging system of collective security designed to contain China. Moreover, Singapore pursues a very ambitious military policy, whereby it maintains disproportionately large military forces for a city-state with 3.1 million citizens: these include 77,000 personnel on active duty, and 350,000 ready-reservists. Much more unusually, these forces are kept at a high state of effectiveness with serious training and first-rate equipment.

Not surprisingly, there is an important military as well as more broadly “security” element in Australian-Singaporean relations, which became the subject of a specific agreement on August 12, 2008 (“Memorandum of Understanding on Defence Cooperation signed by Prime Minister Lee Hsien Loong and Prime Minister Kevin Rudd”). Among its practical expressions, the Singaporean armed forces conduct training and exercises that their home territory could not possibly accommodate in the spaciousness of the Shoalwater Bay Training Area and Oakey airfield in Queensland, as well as RAAF Base Pearce in Western Australia.

13.

Under the heading of joint talk on the other hand, while the two countries pursue all other forms of cooperation under their standing, biennial “Singapore-Australia Joint Ministerial Committee”, the last edition of 2009 ended with fairly explicit language for a communiqué, when it came to strategic cooperation. First, under the heading of bilateral security cooperation, the statement read:

“4. The Ministers noted that the bilateral defence relationship had grown deeper and broader in scope, based on a history of close cooperation and shared *strategic* perspectives. ...[italics added]

5. The Ministers underlined the importance of cooperation between our armed forces to confront common threats to our security „”

Then, under the anodyne title “Further Areas of Bilateral Cooperation” the text continued :

“ 17 The Ministers exchanged views on a wide range of global and regional issues. They noted that the United States, China, Japan and India all had important roles to play in maintaining

security and stability in the region. The Ministers undertook to continue to work closely together to promote regional cooperation, stability and prosperity.

Nothing dramatic yet the statement reveals the logic of strategy at work – the rise of China induces the coalescence of the threatened.

14.

Each of these Australian initiatives derives from a prior and broader decision to take the initiative in building a structure of collective security piece by piece, and not just leave it all to the Americans.

That is an attitude rooted in the revisionist consensus on Australian history in the two World Wars, in which the Australians –as the revisionists held –paid a greater price for a smaller benefit because they supplied troops for others to command (actually it was more like divisions for British Corps and Army chiefs to command). The greater price was the supposedly disproportionate number of casualties. The smaller benefit was the feeble weight of Australia in peace-making (the Australians would have put Hirohito on trial etc.).

This ancient history was given a reprise after the Americans took over the tutelage role of the British, in the wake of the Australian engagement in the Vietnam war, in which the casualties were trivial by Gallipoli standards (500 KIA, 3129 WIA) but which was assessed in retrospect as the wrong war clumsily fought. The derived lesson was that if Australia passively follows the Americans they might lead Australia in the wrong direction, and do so incompetently at the tactical level. The same was true of the Iraq war, in which the casualties were much fewer; Australians do not view that war as a success because of the end-state of the country from their point of view, for it is a major source of illegal immigrants.

15.

Once again, as the documents reviewed above show very clearly, Australians view themselves as facing a strategic threat –this time from a China that is growing in every way and very fast, and which shows every sign of wanting to expand as well.

But this time, the Australians evidently do not want to wait until summoned to serve under American leadership, in whose competence

their faith is less than perfect : they fear that the USA will act too soon or too late , too strongly or not strongly enough for Australian interests should there be a crisis , or simply an increased level of Chinese pressure that calls for a response in the Australian view.

At the same time, Australians do not doubt the good intentions of the United States, its ultimate capacity to rise to every occasion, and its reliability in defending Australia if it comes to that. Australians in turn always do the necessary in peace and war to retain their status as the second-best ally of the United States, claiming precedence over other contenders –and not only because of their privileged role in signals intelligence.

16.

These two potentially opposed positions are conjugated by the certainty that independent Australian bilateral initiatives designed to construct a system of collective security, will always add something, and never detract from the overall capacity of the US-Australian alliance to contain China.

For example, the Australians have an excellent connection with the Malaysian armed forces, which the United States cannot have, and they might play a similar bridging role with Indonesia as well. As for Vietnam, on which see further below, the Australians can still add to that country's security relationship with the United States vigorous though it is, if only because of their less activist stance on human rights' issues.

17.

The synergy of Australia's bilateralism with its US alliance commitment reaches its apogee when it comes to Japan.

From the Australian point of view, it was disturbing that the ongoing political fluidity in Japan could suddenly elevate a figure such as Ozawa Ichiro to national leadership in 2009, notwithstanding his dubious background<sup>66</sup> and complaisant attitude to China. The Australian reaction was to refocus on Japan and boldly strive to influence its foreign policy , undeterred by the great difference in scale and wealth.

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<sup>66</sup> Others in Japanese politics may be equally dubious, but not in regard to accusations of Chinese bribery, and subsequent blackmail.

18.

The clearest manifestation of so much boldness was the visit of Prime Minister Julia Gillard to Japan in April 2011, in the wake of the March Tsunami and ensuing disasters (naturally, she made a point of visiting the North-East defying radiation fears).

In addition to what might have been expected for the occasion, in a very carefully prepared April 22 speech at the National Press Club of Japan PM Gillard clearly emphasized the priority of collective security, not least by making it the first substantive subject after mentioning the disaster and the help sent by Australia:

Japan is Australia's closest partner in Asia... So we had Australian aircraft, working with the Japan Self Defence Force, ferrying Japanese supplies, while using US bases in Japan and with the support of the United States.

We talk a lot about trilateral Australia-Japan-US cooperation. But this was the talk put into action... as Prime Minister, I am committed to this most important security relationship. Japan and Australia are close strategic partners.

We face a number of shared security challenges...Australia's relationship with Japan on security and defence issues has grown to become one of the closest and most important that either of us has...our Foreign Affairs and Defence ministers meet regularly for '2+2' meetings.

This is the only '2+2' meeting that Japan has with any country other than the United States, and one of only two '2+2' meetings that Australia has in Asia...We have stepped up our participation in joint military exercises with one another.... Australia is keen to see new opportunities for co-operation.

She went on to specify the concrete result:

The implementation of the Australia-Japan Acquisition and Cross Servicing Agreement, now endorsed by the Japanese Diet and the Australian Parliament, will enable mutual logistical support between our respective defence forces. This Agreement marks the beginning of a new phase of more frequent, practical and ambitious bilateral security cooperation. It will enable the Australian Defence Force and the Japan Self Defence Force to

cooperate more quickly and easily with one another, such as by providing transport, supplies or support ..

Australia is only the second country after the United States to reach a treaty-level agreement of this type with Japan, and it reflects the importance of defence cooperation for both countries. We are also working towards concluding an Information Security Agreement, which will help us share and protect classified information, so improving our inter-operability.

In our discussions yesterday, Prime Minister Kan and I agreed that, by the next '2+2' meeting, our Defence Ministers will develop a new vision for defence cooperation between our two countries. ..This will be designed to continue the evolution of Australia and Japan as partners in defence and security...This will improve our mechanisms for bilateral cooperation in the event of another crisis or emergency, either in Japan or Australia or in the region more broadly.

19.

The very detailed enumeration of all the different practical steps being taken to increase not only policy coordination but also joint military action had the evident purpose of giving as much substance as possible to the security relationship – a frankly military substance that is, if only because diplomatic cooperation is taken for granted.

The Japanese were duly impressed, not least because they are well aware of the great part that exports to China have in the making of Australia's unprecedented prosperity.

Having put military cooperation at the very top, PM Gillard only addressed the foreign-policy coordination at the end, but in categorical terms:

... regional prosperity cannot be assured through a strong economic framework alone. It also requires a robust security environment.

As staunch US allies, Japan and Australia are as one in welcoming a continued forward presence of the United States in the Asia-Pacific as an important contribution to regional stability.

Stability and security depend vitally on the integral role of the United States and on developing the right regional architecture to encourage cooperation on security challenges and the peaceful settlement of disputes.

The Asia-Pacific is a region in strategic flux, where changing power relativities are playing out against the backdrop of historical mistrust and conflict. It is vital that we build a robust architecture of security and cooperation

Australia believes it will be important to develop a practical security cooperation agenda in the East Asia Summit, including on issues like maritime security....

Left unmentioned was the possible threat --natural disasters aside--that justified all these bilateral efforts and required Austrians to operate their forces so many thousand miles from their shores. The threat was not mentioned because there is only one candidate for that role, inasmuch as the Australians have no plans to fight in Korea.

## 20. Conclusion

Not so much because they are already too intimidated, but mostly because their political cultures are inherently less expressive when it comes to international security issues, Australian explicitness allowed the leaders of countries as different as Malaysia, Singapore, and Vietnam to respond to China's post-2008 hubristic conduct by just standing by and nodding. It was much the same in Japan in April 2011.

Again, what is happening is nothing more than the logic of strategy in action. From the Chinese point of view the consequences are very real: instead of bilateral relationships governed by China's greatly superior magnitude, Australian initiatives have multi-lateralized China's relations with several of its more isolated neighbors.

The overall reaction to China's rise is not and will not be monolithic but is necessarily taking the form of an organic coalescence. Australia merely seeks to accelerate the process.

## II. JAPAN: disengaging from disengagement .

1.

For a country equally praised and blamed for its slow-moving conservatism, Japan's China policy and its reciprocal US policy have been extraordinarily changeable in recent years.

2.

In small part because of the wear and tear caused by the Marine Corps Air Station Futenma issue and lesser irritants, in much larger part because of a post-2008 assessment that the United States was declining while China was offering rapidly expanding business opportunities, without necessarily being less benevolent in the long run, the Japanese elite consensus was beginning to drift towards a closer connection with Beijing, even at the price of a more distant connection with Washington.

That shift was only incipient and still resisted quite strongly by most Foreign Ministry professionals among others, but it did have some serious if variegated political support.

3.

First, there was an older-generation attitude exemplified by former Prime Minister Nakasone Yasuhiro (in office 1982-87), a Tokyo-based Navy officer in WWII, which combined guilt feelings for Japanese misdeeds in China, with a lively awareness of economic opportunities for Japanese business, and a benign interpretation of Japan's past and possible future within the Chinese *Tianxia*<sup>67</sup>. According to this view of its history, Japan had evolved successfully in its early centuries in a state of subjective independence within what Chinese rulers nevertheless perceived as their hegemonic sphere. The implication for the future was that Japan could continue to prosper even if it were inside rather than outside China's security perimeter, because of the expansion of China's strategic reach. The United States has no especial role in this vision of the future other than to fade away quietly. This view is of course also congruent with a pessimistic view of Japan's future, according to which nothing will interrupt its decline into a middle power with a diminishing and aging population.

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<sup>67</sup> What follows is based on a prolonged conversation with Nakasone Yasuhiro in his Tokyo office on March 3, 2011.

4.

Alongside this philosophical position that has its merits, there was in 2009 the much cruder stance of Ozawa Ichiro –American down, China up, let's go with China--and that way we will not need Marines in Okinawa anymore. In more nuanced fashion, there was also the consideration that China could control North Korea while the US could only retaliate against it in the event of a nuclear attack on Japan, and other such calculations. More fundamentally perhaps, Ozawa happens to dislike Americans, and besides, as Secretary-General of the Democratic Party of Japan long in opposition, he needed a differentiated foreign-policy stance to oppose the eternal recurrence of the Liberal Democratic Party (LDP) .

5.

On December 10, 2009 Ozawa was able to enact his policy intentions on the grandest scale by leading no fewer 143 Democratic Party of Japan (DPJ) Diet members, and 470 staff and political supporters on a visit to Beijing , under the framework of the on-going CCP-DPJ “ Great Wall” exchange program.

Clearly form prevailed over substance -- it was a processional tribute-bearing visit without the tribute – but there was a 30-minute meeting with Hu Jintao; unsurprisingly, they agreed to “strengthen Japan-China relations and accelerate the pace of DPJ-CCP exchange” . The East China Sea, adulterated gyoza (as in Chinese exports of) , and China's lack of transparency in its defense budgeting, were mentioned but obviously could not have been discussed seriously.

Nevertheless, after the meeting , or audience (it took place in the Great Hall of the People) Ozawa declared that the meeting had contributed to the development of friendly relations, which is fair enough but he also said that he had introduced himself to Hu as the “director of field operations for Japan's Liberation Army” --liberation from the LDP ? From bureaucrats ? From the US ? All three, no doubt.

On the second day of the visit , December 11 Ozawa met with Defense Minister and PLA General Liang Guanglie 梁光烈 to “express his concern over China's continuing military buildup” . Ozawa said that he had told Liang that : “there is sentiment in Japan that sees China's modernization as a threat. If Japan were to strengthen armaments, it



would not bring good results for the future of Japan and China.<sup>68</sup> Liang's reply was of course that the PLA "serves to protect a large territory and border and definitely does not seek hegemony."

6.

In other words nothing was negotiated and nothing was conceded in Beijing yet December 2009 marked a low point in US -Japan relations at the political level.

Nevertheless the dominant bureaucratic view in the Foreign Ministry and the unanimous view in the Defense Ministry remained unchanged,<sup>69</sup> namely that China had unambiguously become the "main threat" to Japan's security, that its relative capabilities were increasing rapidly, and that Japan therefore needed:

- a) to increase its own military strength;
- b) safeguard the US alliance by overcoming all problems along the way starting with the Okinawa/ Futenma controversy ;
- c) broaden the basis of its own security by participating in the effort to build a collective-security framework for East Asia as a whole.

7.

Naturally there was considerable tension between the two ministries and the Ozawa-dominated DPJ leadership . They came under attack as part of a broader campaign against the upper echelon of the bureaucracy in general , as undemocratic, ineffective, and in the case of the Ministry of Foreign Affairs, too hard on China, too soft with the United States. Because the bureaucrats in general could be blamed for Japan's protracted stagnation, the anti-bureaucracy campaign was quite

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<sup>68</sup> *Japan Today* "Friday 16th December, Ozawa expresses concern over China's military buildup"

<sup>69</sup> Source: March 2011 interviews with : (a) *Gaimusho* officials, Rui Matsukawa, 2nd Div. Koji Tsuruoka, D-G of Policy Planning; Kimihiro Ishikane Deputy D-G, Asian and Oceanian Affairs; Akira Muto Director of the Policy Planning Division (b) Diet members, including: Shinzo Abe (LDP) ; Akihisa Nagashima DPJ , Takakane Kiuchi (LDP), Motohisa Furukawa (LDP); Ms. Noriko Miyagawa (LDP); Jin Matsubara (DJP); Koki Kobayashi (DJP); Shozo Azuma (DJP), Katsutoshi Ono (DJP); and (c) outside experts including: Motohiro Kondo; Seiichio Takagi; Masahiro Miyazaki; Masa Okuda; Tomohiro Taniguchi, Isamu Ishikawa; Keiichi, Kawanaka Tomoko Suzuki; Shinichi Kitaoka; Yasuhiro Nakasone ; Kunihiro Miyake Hisahiko Okazaki ; Shotaro Yachi; Shinichi Kitaoka, Tomoko Suzuki, Jun Osawa, Hitoshi Tanaka.

successful, even as the DPJ was losing ground and Ozawa in particular fell into legal difficulties because of the usual reasons. That only intensified DPJ attacks on the Foreign Ministry, and the party's insistence that policy must be made by (DPJ) politicians and not by bureaucrats. Even a broad redirection of Japan's foreign policy away from the US and towards China did not seem impossible at the time.

8.

A high point of the China-Japan rapprochement of 2009 was the Joint Press Communiqué issued in Beijing on March 20, 2009 by Defense Minister Hamada Yasukazu ( who declared when coming into office: "my mission is to make Japan a more comfortable country for people to live in" ) and China's Defense Minister , General Liang Guanglie. The significance of this text is that it announces joint initiatives that go much beyond confidence-building measures between adversaries to provide the rudiments of a collective security arrangement or even an embryonic alliance :

... During the talks, the two sides [ agreed to]:

1. Continue high-level exchange of visits. To return Minister Hamada's visit to China, Minister Liang Guanglie will pay a visit to Japan in 2009.
2. Hold defense and security consultation between the two defense ministries in Tokyo in 2009.
3. Build on the China-Japan defense and security consultation to strengthen communication between policy departments, exchange views on issues of mutual interest such as international peace keeping, combating natural disasters and anti-piracy, and step up cooperation in information sharing, particularly in anti-piracy operations in the Gulf of Aden and Somali waters.
4. To return the visits to Japan by Chinese Air Force Commander, Navy Commander and Deputy Chief of the General Staff since 2008, Japanese Chief of Ground Staff, Chief of Maritime Staff and Chief of Air Staff will visit China ...
5. Continue consultation to establish at an early date the maritime contact mechanism between the defense ministries of China and Japan. ..
6. Continue mutual visits of navy ships on the basis of the first mutual visits conducted respectively in 2007 and 2008. Chinese naval vessels will visit Japan in 2009.
7. Step up consultation at the working level and promote the implementation of the annual defense exchange plan. The two sides will discuss the possibility of inter-service staff officer dialogue involving all services including the Joint Staff of Japan.

8. Explore exchanges between Military Area Commands of the Chinese People's Liberation Army (PLA) and armies of the Japanese Ground Self-Defense Force.
9. Continue to conduct exchanges between field-grade and company-grade officers under different frameworks.
10. Push forward exchanges between the National Defense University of China and Chinese Academy of Military Science and the National Institute for Defense Studies of Japan, and between Chinese universities like the PLA University of Science and Technology and Dalian Naval Academy of the PLA and the National Defense Academy of Japan... [In conclusion] Minister Hamada expressed thanks to Minister Liang Guanglie ....

9.

Without a sworn statement from Hamada Yasukazu that it was all done with the utmost insincerity to deceive the innocent Chinese, this list of joint initiatives was certainly alarming.

10.

But everything changed very suddenly with the Senkaku fishing intrusion incident of September 7, 2010, or more precisely because of the sheer reckless extent of Chinese reaction to the incident, which included riotous attacks on Japanese-affiliated shops, the arrest of visiting Japanese business executives, the interruption of rare earth shipments to Japan, and a maximally provocative (if legally necessary) China Ministry of Foreign Affairs demand for compensation and an apology.

The overall effect was to crystallized underlying anxieties about China's intentions and even coherence-- anxieties obviously intensified by the rapid increase in Chinese power. The impact on Japanese opinion was therefore not merely strong but downright structural.

It was perfectly evident in the aftermath (though not perhaps to Chinese decision-makers) that the change in Japanese attitudes to China would be lasting, and would not be undone by goodwill visits and charm offensives.

11.

The immediate result was that Ozawa and like-minded others were silenced, and could no longer oppose the Foreign and Defense Ministries as they proceeded with their triple effort to build a stronger defense, a stronger US alliance, and to develop a broader framework of collective

security, more or less on Australian lines. The Futenma polemic did not go away any more than the noisy Marine Air Station that occupies the core of Okinawa's Ginowan city, but the volume of the controversy was drastically reduced.

12.

Even before the Senkaku incident there was a pattern of increasingly provocative Chinese behavior. Interceptions of military aircraft approaching Japanese airspace provide the readiest quantification: between 2009 and 2010 the number of Air Self-Defense Force interception sorties increased from 274 to 386. Of the aircraft intercepted, 264 were Russian a 30% increase that measures the revival of Russian military activity in the Far East. Only 96 of the offending aircraft were Chinese but that marked a 250% increase over 2009. The closest intercept (of two Y-8 long-range surveillance aircraft) occurred within 50 kilometers of Japanese airspace.

Interestingly, some Japanese observers correlated the increase in Chinese intrusions not with the overall increase in PLA activity, but rather with the advent of the DPJ in Japan's government and the subsequent tensions in the Japan-U.S. military relationship; they were supported in this by an unnamed Defense Ministry official who was quoted as saying: "[Foreign countries] might have been testing Japan's defense capability as they regarded Japan-U.S. relations as weakened".<sup>70</sup>

13.

The March 11, 2011 "Great East Japan" earthquake and more catastrophic tsunami naturally had very strong effects on every aspect of Japanese life, not least the JSDF in whose case, however, the effects were contradictory. On the one hand, a re-allocation of public spending is underway that will deny any large increase to the Defense Ministry and the Japan Self-Defense Forces (JSDF) barring a very sharp rise in the perceived threats to Japan. But on the other the JSDF may gain some more funding and certainly will not lose any --as other ministries will- because China is neither forgotten nor forgiven, while the JSDF was almost the only effective instrument of the state in coping with the successive unleashed by the earthquake.

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<sup>70</sup> *Yomiuri Shinbun* English edition on-line April 30, 2011

14.

Indeed the JSDF visibly performed much more than adequately, acting compassionately (in conducting dignified burials), heroically (hosing water on emitting reactors), efficiently (in distributing food), uncomplainingly (in difficult, often dangerous conditions), and on the largest scale with ground, air and naval elements--100,000 personnel (40% of total) were committed immediately

15.

This was actually the very first opportunity of the JSDF since their creation to display to the Japanese public their overall human quality, and some of their physical capabilities (Prime Minister Murayama Tomiichi, the first and only Socialist PM, refused to order the JSDF he had long opposed into action for the January 1995 Great Hanshin earthquake). Among the immediate imagery relayed to the public there was a burly soldier rescuing an old lady on his back, the helicopter rescue of 81 dockworkers swept to sea on a hulk, and of school children stranded on a school rooftop--and these early these dramatic episodes were followed by many more.

The JSDF is bound to benefit greatly from the resulting attitudinal shift in Japanese public opinion--it is the final emancipation of Japan's military from the ignominy of 1945.

Therefore even at a time of severe budgetary stringency the JSDF budget may well increase sooner rather than later, if only because its current spending is so small as a percentage of the GDP--below 1%--and of total government spending: 3% in the 2009 fiscal year.

Hence Japan is the one country that could accommodate a sharp increase, even a doubling, of its military spending without changing its overall fiscal balance.

16.

It is even possible that the emphatic taboo against the acquisition of aircraft carriers might end, if only because of the public's heightened appreciation of their utility for disaster relief (see below) as well as for sea-control operations at a time when China, in the person of Defense Minister General Liang Guanglie, has officially acknowledged its intention of acquiring aircraft carriers. In response to a question from Japan Defense Minister Hamada Yasukazu in Beijing March 20, 2009, Liang

Guanglie reportedly said : “China needs to develop an aircraft carrier as it is the only major power in the world operating without one ” <sup>71</sup>--- thereby implicitly defining carrier-less Japan as not a major power.

17.

The March 2011 disasters and the subsequent relief operations also radically changed public perceptions of the significance of US forces in and around Japan.

That the USS Ronald Reagan along with USS *Chancellorsville* and USS *Preble* <sup>72</sup> arrived on the scene very quickly to serve as an air and resupply base for rescue and relief helicopters directly opposite the most critically affected tract of the Fukushima coast, was not half the story: first, all civilian airports within range were inoperative or their capacity was greatly reduced, thus greatly enhancing the carrier’s relative value; second, the *Ronald Reagan* also acted as the base for Maritime Self Defense Force (S-70) helicopters, visually demonstrating an extreme degree of interoperability and trust; thirdly, the personnel aboard the *Ronald Reagan* and its escorts was knowingly exposed to radiation at a rate of one month’s worth of naturally occurring radiation per hour; finally, all of the above distinctions between a *de rigueur* and “above and beyond” assistance mission were made amply known to the Japanese public by an exceedingly effective US Navy public relations’ effort. Itself very sensitive to radiation dangers, the Japanese public was profoundly affected by scenes showing USN personnel being decontaminated on the carrier deck (it is symptomatic that the most popular Japanese multi-video blog on JSDF rescue operations actually begins with several videos of *Ronald Reagan* operations <sup>73</sup>.

18.

The controversy over the Funtenma Marine air station –indeed a colossal irritant to Ginowan city all around it ( unsurprisingly it has a Japan

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<sup>71</sup> Confirmed in the *Global Times* April 14, 2011 under the misleading title “ Beijing refutes carrier claims” (=it is not a carrier , it is just a training vessel ).

<sup>72</sup> Helicopters from 33rd Rescue Squadron, 18th Wing, Kadena Air Base and even SH-60 anti-submarine helicopters from Naval Air Facility Atsugi also flew relief missions.

<sup>73</sup> <http://ajapaneseossan.blogspot.com/2011/04/jsdf-jmsdf-pics-of-fukushima-daiichi.html>

Communist Party mayor) -has been a good indicator of the overall state of the Japan-US security relationship in recent years.

In 2009 it seemed possible that the Japanese government would demand the removal of US forces from Okinawa altogether – and indeed a 2014 deadline was set--rather than confront the difficulties of relocating the noisy Marine Air Station elsewhere in Okinawa or elsewhere in Japan. Now by contrast ,in the aftermath of the attitudinal shifts both in regard to China and the American military presence, the two governments have simply abandoned any intention of relocating the base. <sup>74</sup>

19.

It was in this radically altered context that the April 2011 visit of the high-spirited Australian PM Julia Gillard took place, providing an excellent opportunity for the much-chastened DPJ leadership to finally repudiate its original strategic stance, and instead reaffirm the centrality of the Japan-US alliance, even while embracing the proffered vision of a complementary East Asian (ex China) + Australian alliance as well.

20.

With this, two of the three Foreign Ministry/Defense Ministry counter-measures against Chinese military aggrandizement are in place, while only extreme fiscal stringency now impedes the expansion and diversification of JSDF capabilities -instead of the stiff domestic political opposition that was once the insurmountable barrier .

21.

One may doubt that it was the aim of Chinese policy to strengthen Japan's alliance with the United States, or to emancipate Japan's potential for military strength in some degree at least. But both were the inevitable result of China's accelerated military aggrandizement.

22.

The Nakasone vision of a Japan prospering within China's *tianxia* , indeed within its strategic perimeter, was never a feasible alternative because it required not only an improbably tactful, indeed unfailingly courteous Chinese government, but also a powerful yet quite unthreatening China--an impossible contradiction.

23.

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<sup>74</sup> Reuters (from *Yomiuri* Japanese edition) May 7, 2011

As for the notion that Japanese business interests would favor, or even seek to impose pliant policies for business reasons –China is certainly a large and growing market , and rumors to that effect did circulate during the September 2010 Senkaku confrontation – it would be far more plausible if Chinese businessmen rather than Japanese managers were in charge of Japanese corporations.

As a group , the managers of the larger, politically more significant corporations are far more focused on international politics than other Japanese, much more knowledgeable about the outside world, and correspondingly more conscious of the central importance of the very things that are lacking in China, beginning with democracy and the rule of law --not worshipped as in the Anglo-Saxon world but still highly appreciated as the best available *gaijin* substitute for Japanese self-control. Of all Japanese, those most active in doing business in China are the least likely to support Japan's national subordination to the CCP.

There is a contrary view to be sure, but so far it is heard from journalists rather than businessmen; most recently to the effect that while pre-Tsunami it was enough for Japanese companies to have assembly plants in Chinas to serve the Chinese market , now with the post-Tsunami power cuts they must also move the production of sub-system and components to China to supply non-Chinese markets as well.

Symptomatically this functional argument is preceded by a lamentation on the nullity of the Japanese government and the country's demoralization<sup>75</sup>.

24.

Yet it is only the willing acceptance of subordination to China that could interrupt the countermeasures against its rising power that the logic of strategy ineluctably requires from Japan---and strategy is stronger than politics and all its inhibitions.

25.

That is just as well, because strategy will require a far greater sacrifice from the Japanese political system than the cessation of Antarctic whaling

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<sup>75</sup> Yoichi Funabashi "Tokyo has no option but to cleave to China " Financial Times May 17, 2011 "... Japan's triple disaster holds a magnifying glass to my country's vulnerabilities. ...In these trying times there are ...many reasons for Japanese despair.



to show respect for the valiant Australian ally: the setting aside, if not formal abandonment, of the greatly cherished claim to the *Hoppō Ryōdo* (北方領土問題) the so-called “Northern Territories” known as the southern-most Kuril Islands to the Russians who have occupied them since 1945 .

They are not insignificant outcrops: the Etorofu (択捉島), Kunashiri (国後島), and Shikotan (色丹島) islands have a combined land area of 4,854 square kilometers, 1,874 square miles, not counting the fourth component of the *Hoppō Ryōdo* the Habomai rocks (歯舞諸島).

The Japanese, moreover, have a strong legal case, just as the other countries that were diminished by Soviet annexations at the end of the Second World War: Poland, Czechoslovakia, and Romania, although the latter did attack the Soviet Union in alliance with Germany while Japan did not, and was itself attacked, as in the case of Poland.

26.

#### The forthcoming centrality of the Russian Federation

In the emerging international context. However, Japan’s strong legal case for restitution is irrelevant.

If China continues to grow very rapidly both in economic capacity and in its military strength not merely in the years but in the decades ahead, Japan’s continued independence will increasingly depend on the overall strength of the anti-China coalition.

Within that coalition, Japan’s own resolve and American support would be of critical importance of course, but the alignment of the Russian Federation will be as important and indeed may well be decisive, both because of itself and because of the neighboring states ---Mongolia, Kazakhstan, Uzbekistan, Kirgizstan, Tajikistan, and Turkmenistan --which the Russians continue to influence in important ways. As their only credible security guarantor against an overbearing China, and as protector presumptive against assorted fanatical from the Islamic lands to the south, the Russian Federation is unlikely to lose its hegemonic role in Central Asia. That obviously magnifies its strategic important, especially in geo-economic terms.

27.

If in response to some major Chinese aggression or bloody repression, the United States and like-minded countries were to interrupt commerce with China—a perfectly possible alternative to a military escalation inhibited by nuclear fears—China could still purchase all the fuel and raw materials it would need from the Russian Federation and its allies-- if they were not part of the coalition.

However outlandish an interruption of commerce may now seem, it could quickly become the policy option of choice if there were a large-enough massacre of Tibetans, Uyghurs or Mongols,( or rebellious students). That is so quite independently of any “geo-economic” reactions. US/EU military trade with China was interrupted by the 1989 repression, and it has yet to resume.

28.

If it could be supplied from Russia and its lieges, China would not be so vulnerable to an interruption of sea-borne trade. as an instrument of power against an aggressive China, and indeed by far the strongest instrument that could actually be employed without the imminent danger of precipitating a general war that might even become nuclear.

By contrast, if the Russian Federation and its allies were to participate in the interruption of commerce, joining the United States, Japan, Australia, and all other participants, China would truly be encircled by a coalition too strong to be defied --a coalition that would need no soldiers but only customs officials to apply immediate and powerful pressure on the Chinese government.

Anticipation of such an outcome is likely to deter misconduct altogether, as well, or better, than the much less credible of threat of force. Failing that, if misconduct is not dissuaded, it might be interrupted and revoked insofar as possible, once the interruption of commerce by the coalition becomes reality – if it does include the Russian Federation with its very well-resourced allies and dependents.

29.

It follows that if a China/anti-China world does emerge, Moscow will be its strategic pivot, conferring much leverage to its rulers-- which they would certainly try to use to the full.

That would no doubt cause great difficulties to the United States and its allies, especially if the Russian government were to remain as authoritarian as it now is, complicating all forms of cooperation because it would simultaneously strive to perpetuate popular suspicions of the outside world –including its strategic allies. (Stalin’s regime did that unabashedly throughout the Second World War, with no great difficulty or ill consequence for its own hold on power.<sup>76</sup>)

30.

On the other hand, cooperation with Russia and Mongolia would not be so complicated for Japan, because it would be exclusively economic in content, and limited to commercially profitable activities, with nothing more needed from the two governments than a favorable attitude..

That would be enough to open the way for Japanese investments and management activities in Mongolia and the Russian Federation, and more specifically in its Dalnevostochny Federalny Okrug, (Дальневосточный федеральный округ), the “Far Eastern Federal District”. It stretches across the vastness of eastern Siberia all the way to the Pacific and Arctic shores, but its entire population of six million or so is smaller than that of the nearest Chinese city of Harbin (哈尔滨); Mongolia’s entire population of under three million, is likewise no larger than that of the city of Baotou (包头), in China’s Inner Mongolia.

Understandably, both the Russian and Mongolian governments are concerned not only by the possible long-term implications of the population imbalance, but also by the ever-increasing level of local Chinese economic activity.

31.

Hence from the point of view of both governments, it would be much better if instead of Chinese investors, managers, and technicians there were other foreigners from less threatening countries further away-- anything to dilute the Chinese presence and contain its growth.

While the Japanese are much respected by the Mongolians but not especially well-liked by the Russians, they certainly qualify as desirable

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<sup>76</sup> E.g. Sailors of the perilous convoys to Murmansk were treated as dangerous spies –they were kept under continuous surveillance and denied contact with the local population.

foreign investors and developers, and they have all the required organization, technology, market-absorption capacity, and capital. Capital comes last and not first because what both Mongolia and the Russian Far East need is much more the activity than just the capital; for Mongolia, Japanese activity would increase the skill base, while for the Russian Far East, it would serve by helping to retain the population in place. If one person is employed locally by a Japanese company, that is one person less that might emigrate to more comfortable parts of western Russia – for in addition to low fertility rates, de-population has also been caused by substantial internal migration, to the Moscow region in particular.

### 32. Conclusion

Japan could do much to enlist the Russian Federation for the anti-China coalition—indeed it could do more than any other country. It may be true that Japanese and Russians are not especially sympathetic to each other, and it is certainly true that Japanese business corporations that have done business with the Russian Federation and with the Soviet Union before it, have periodically had unsettling experiences – including the arbitrary, and patently dishonest revocation of contracts.

But if the Japanese government accepts the strategic imperative, it will set aside the “Northern Territories “ question, refrain from futile complaints<sup>77</sup>, and stop dissuading Japanese business activity in the Russian Far East. That in itself would preclude symmetrical Chinese activity in the region, while serving as a powerful incentive to Russian participation in the anti-China coalition.

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<sup>77</sup> Most recently: May 16, 2010 ; Kyodo: Foreign Minister Takeaki Matsumoto “..summoned ..Russian Ambassador..Mikhail Bely..and told him that he regrets the trip to the islands of Etorofu and Kunashiri [by Russian Deputy Prime Minister Sergei Ivanov and four other Cabinet ministers] ...as it.. hurts the feelings of the Japanese people." No sanctions were even mentioned.

### III. DEFIANT VIETNAM: the newest American ally ?

1.

A willing acceptance of subordination to China is not a Vietnamese trait to say the least, in spite of immediate proximity, and an extreme imbalance in overall power.

Moreover, the close similarity between the ideology and inner-party practices of the local Communist party (*Đảng Cộng sản Việt Nam*) and those of the CCP, and their joint inheritance of Leninist methods, Stalinist techniques, and Checkist tricks, only sharpens the resolve of VCP leaders to resist CCP intentions for Vietnam.

2.

The unambiguous 1975 victory of Communist Vietnam against the United States and its local allies, auxiliaries and expeditionary allies, now likewise serves to reinforce its government's determination to resist Chinese power wholly and firmly – in effect negating the imbalance of power.

3.

To simply deny the balance of power because of ignorance, pride or a transcendental creed, to refuse the accommodations and concessions that it may require, is an unflinching prescription for yet greater losses and worse humiliations if not utter destruction.<sup>78</sup>

But that is not an error the VCP leadership is likely to commit, because another legacy of the long struggle that finally resulted in victory in 1975 is a diplomatic, military and comprehensively strategic culture characterized by bitter realism, and quite free of military adventurism or wishful thinking about the workings of regional and world politics.

4.

Accordingly, the government of Vietnam has never denied the balance of power in dealing with China to any greater extent that it could actually negate its superiority, whether with its own military strength if only localized, or by finding allies willing to confront China.

5.

That is how Vietnam survived the February 1979 Chinese invasion – or rather counter-invasion, for in January some 150,000 Vietnamese troops

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<sup>78</sup> It is their refusal to accept the balance of power that has made successive Palestinian leaders the objects rather than the subjects of regional politics.

had invaded, defeated and occupied China's ally, the Cambodia or Kampuchea of the auto-genocidal Khmer Rouge .

No doubt to force the Vietnamese to withdraw from Cambodia, on February 17, 1979 the PLA attacked in 26 sectors of the 480- st. mile border with at least 200,000 troops and perhaps as many as 250,000. The operational-level aim was apparently to wear down Vietnam's army by forcing it to defend the provincial capitals near the border : Laocai, Caobang, Dong Dang and Long Son.

6.

The Vietnamese did not retreat from Cambodia nor did they send their field army formations to defend against the PLA's invasion thrusts. They instead contained them with border troops alone ( some 100,000 men), who mounted a harassing, dogging and pouncing elastic defense, complemented by many cross-border raids to attack PLA supply lines, ammunition stores and fuel dumps .

Hence while the Chinese did advance on several vectors to depths of 30-40 kilometers overrunning several provincial capitals, their advance was slow –it required some 17 days of fighting –and casualties were high, with the round number of 20,000 (KIA, WIA, POW) often cited.<sup>79</sup> Having started the war on February 17, the PLA withdrew on March 16, having failed to “teach Vietnam a lesson”, or forced the abandonment of the occupation of Cambodia.

7.

Military strength employed skillfully --and the retention of a large operational reserve, indeed the totality of the field forces (even those in Cambodia were re-deployable) to cope with further offensive waves-- was the necessary but not sufficient condition to preserve Vietnam from a fifth era of Chinese domination <sup>80</sup>

Absent the counterpoise of a Great Power ally that could dissuade renewed war on a much larger scale , Vietnam could have been faced with

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<sup>79</sup> See (the well-documented) summary by Colonel G.D. Bakshi, VSM The Sino-Vietnam War-1979: Case Studies in Limited Wars Bharat Rakshak Monitor , Volume 3(3) November-December 2000.

<sup>80</sup> The conventional periodization does not include periods in which Vietnam was not occupied but acknowledged imperial suzerainty: First Chinese domination 111 BCE–39 CE; Second 43–544; Third 602–905; Fourth 1407–1427.

successive and broader PLA offensives on a yet larger scale, which were ultimately bound to be overwhelming.

But Vietnam did have the requisite alliance: the November 1978 Treaty of Friendship and Cooperation with the USSR, which, ironically, was apparently imposed as a pre-condition for Soviet military assistance (and certainly increased Chinese hostility<sup>81</sup>) and granted access to the Da Nang and Cam Ranh Bay facilities and anchorages to the Soviet Navy and Long-range air force.

Soviet military aid (estimated at US\$ 800 million in 1978) paid for Vietnamese operations in Cambodia, and after the Chinese attack it increased to an estimated US\$ 1.4 billion, including the replacement of equipment lost in combat.

More important, the Treaty and the aid went a long way to committing the Soviet Union to defend Vietnam if it needed succor--- if necessary by attacking China in the north, because of the very great logistic difficulty of sending Soviet ground forces all the way round to Vietnam. The two sides were certainly mobilized on the largest scale on the Sino-Soviet border.

In addition, it is possible that the PLA did not try to bomb Vietnam from the air or employ tactical aircraft in support of its ground forces, not only because of Vietnam's war-experienced and abundant air defenses, but also because superior Soviet fighters could have been sent into action in response – and not necessarily by an expeditionary deployment to Vietnam .

8.

Everything conspired to divide China and Vietnam in the aftermath of the 1979 fighting: ethnic antipathy (also manifest in the recurrent persecution of Vietnamese of Han extraction); historic resentment because of the many centuries of Chinese domination ; new bitterness caused by the war; competition for regional influence in Indochina, starting with Cambodia; land borders disputed at many points, and incompatible maritime claims. But there was one thing that united China and Vietnam especially after 1989 : both the CCP and the VCP were greatly threatened by the de-

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<sup>81</sup> 1996 Vietnam Symposium : Bruce Elleman "Sino-Soviet Relations and the February 1979 Sino-Vietnamese Conflict" 20 April 1996

legitimization of Leninist Communism as such and by the collapse of European Communism and the prompt dismantlement of its entire edifice of seemingly rooted institutions and seemingly established modes of existence. In China's case, this had already resulted in the need to protect the regime with firearms in the heart of Beijing.

9.

At a time when China had not yet started on its present path of accelerated military aggrandizement, and when the Cambodia rivalry was attenuated, the common ideological and political threat to the CCP and the VCP was seemingly the motivating factor for the "normalization" of relations negotiated secretly at first, and publicly announced by Secretary-General of the CCP and Chairman of the Central Military Commission Jiang Zemin (江泽民) and Secretary-General of the VCP Do Muoi.<sup>82</sup>

That in turn lead to the start of border negotiations, first on the principles and precedents to be followed (the 1887 and 1895 Franco-Chinese agreements<sup>83</sup>) that were agreed by 1993; with that, border delimitation could begin.

10.

But six more years passed before the two sides signed a border treaty in 1999 because of many obstacles, some of which retain their significance till this day.

One was that the Chinese side wanted to focus on delimiting the land borders and the Tonkin Gulf, in order to allow cross-border trade and sea ventures as soon as possible (cross-border trade was then the preferred remedy for the poverty of remote peripheries everywhere in China); the Vietnamese side by contrast wanted to negotiate on the other two disputes as well, over the Paracel Islands (some forcibly seized by China in 1974 after defeating South Vietnamese forces) and the Spratly Islands.

The Chinese essentially won this argument, but the result is that maritime disputes are unresolved till this day.

11.

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<sup>82</sup> M. Taylor Fravel *Strong Borders Secure Nation: cooperation and conflict in China's territorial disputes*. Princeton University Press 2008, p.146

<sup>83</sup> Ibid. Hence the old vineyards of Cizhong village, Dêqên County 德钦县, Yunnan.



Another obstacle was the reluctance of officials on both sides to negotiate as they were directed to do by the respective governments---there was no bonhomie apparently and none developed; the PLA , moreover, reportedly refused to participate in the border delimitation work.<sup>84</sup> Finally in July 1997, Jiang Zemin and Do Muoi met again (after six years) and agreed to order their respective negotiators to reach agreement by December 31, 1999. Agreement was reached ---but not before December 30-- essentially on a 50/50 basis.

That was not the end of it, but only the beginning of epic wrangling over the placement of the 1,533 boundary markers. It took three years to place just six.

12.

Finally on February 23, 1999 , ten years after the signature of the delimitation agreement, the very last boundary marker was placed -- number 1117 , not coincidentally in Pingxiang, Guangxi Zhuang Autonomous Region opposite Vietnam's Lang Son where the 1979 fighting had been especially intense and destructive. The Foreign Ministry spokesman's statement on the ceremony held by State Councilor Dai Bingguo ( 戴秉国) and Vietnam's Deputy Prime Minister Pham Gia Khiem was:" The two sides resolved complicated issues in a frank and friendly manner";, the maritime disputes remained unsolved and unmentioned.

12.

As noted above, as of now in 2011, the China problem for neighboring countries is not any particular instance of arrogant words or intrusive deeds that they may have experienced, nor even unresolved territorial disputes as such, but rather China's very rapid military aggrandizement whose vast potential is destabilizing power balances everywhere; future power is not discounted as is future money, but anticipated as it has been noted. That is the implicit and inherent threat to the independence of China's neighbors .

13.

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<sup>84</sup> Idem p.148. In my own communications with PLA officers, I heard expressions of real hostility only against Indians ("real snakes") and Vietnamese ( words amounting to "vainglorious upstarts"); resentment persists because of the humiliations of the 1979 fighting.

That applies to Vietnam as well –indeed more so, because both popular and institutionalized interpretations of Vietnam’s periods of subordination to China have none of the benign dimensions evoked by some in Japan as noted , and by many more Koreans. On the contrary, the national identity of the Vietnamese was formed by resistance to invasions from China, and that is why when the ostensibly internationalist VCP won control of South Vietnam in 1975 it immediately acted to expel as many Hoa (ethnic Han Vietnamese) as possible, with many physically driven over the border, or sent off in precarious boats.

Certainly the Vietnamese attitude to the Han and their country is incompatible with a contented, or even a resigned participation in a China-centered *Tianxia*.

14.

In any cases, cultural complexities aside, the Paracel and Spratly islands are not insignificant excuses for a quarrel , as in the case of the Dodko/Takeshima islets among others such-- – they comprise hundreds of islands, rocks and reefs which between them claim Exclusive Economic Zones that add up to some 648,000 square miles.

15.

One instrument of resistance is still the military strength of the Vietnamese armed forces, which suffer from severe platform and technology limitations but reportedly not from a lack of fighting spirit and basic competence.

But as in 1979, Vietnam also needs a Great Power ally to be able to confront China if it comes to that, and it has seemingly found one in the United States, and prospectively India and Japan as well. .

16.

Perfectly willing to take the initiative --coalescence is a natural reaction to China’s aggrandizement but does need enactment – the Vietnamese used their 2010 chairmanship of ASEAN to “internationalize” the maritime disputes by forming a multi-country negotiation forum. Their aim, obviously, was to force China to negotiate in a multilateral setting.

17.

The original US position had been one of passive neutrality on the Spratly Island claims of all the parties, Brunei, China, Indonesia, Malaysia, the Philippines, Taiwan as well as Vietnam. Even at the start of 2010 that

remained the US position, so that the Vietnamese were reduced to asking for no more than a US reaffirmation of its own principles of transparency (no more overnight installations on reefs and rocks), of the rule of law, and of the freedom of the seas and navigation.

18. .

But Vietnam's diplomacy, aided by its US friends starting with ex-POW Senator John S. McCain III, as well as by Australia, succeeded in changing US policy-- unless it was one more unintended result of China's military aggrandizement : at the July 2010 ASEAN Regional Forum Foreign Ministers' meeting in Hanoi, Secretary of State Hilary R. Clinton reiterated that freedom of navigation is a U.S. "national interest" , that the US opposed the use or threat of force by any claimant --neither of which were new positions -- but also declared that "legitimate claims to maritime space in the South China Sea should be derived solely from legitimate claims to land features," - a new position that undermines China's claims to the entire ocean area.

19.

There was an immediate and (reportedly) an angry response from Foreign Minister Yang Jiechi (杨洁篪) who attacked all those who had raised the issue at the meeting, because the entire area was nothing but sovereign Chinese territory, just another part of Hainan province. It was a ringing, impeccably nationalistic ("leftist") affirmation by a Foreign Minister whom country-bred nationalists may view as far too much of an internationalist -he certainly lived in London and Washington for many years - it is all ours, there is nothing to discuss.

20.

Yet less than five months later, at the December 2010 ASEAN meeting in Indonesia, the Chinese delegation agreed to negotiate in just the multilateral setting that Vietnam and the US had called for, at least for the purpose of defining a *multilateral* Code of Conduct.

21.

Several different reasons could each explain the Chinese reversal.

One is that it was a particular application of the general retreat from the post-2008 hubristic excesses ordered by the CCP's highest echelon, as explained and justified in Dai Bingguo's long article "Adhere to the path

of peaceful development “ *Jianchi zou heping fazhan zhi lu* released just before on December 6, 2010.

Another is that the Chinese claim cannot gain global support simply because the Spratly islands are a very long way from China and much closer to the coasts of the other claimants –except Taiwan, symptomatically. The map is hostile to the Chinese claim.

22.

A third explanation is that the original uncompromising Chinese stance made the dispute a very effective anti-China coalition-building device, because it roped in both the erratic Philippines and habitually recalcitrant Malaysian government.

23.

A fourth explanation is that H.R. Clinton is very persuasive or that Secretary of Defense Robert Michael Gates is very persuasive, because he spoke on the same lines at the ASEAN Defence Ministers Meeting Plus held on October 2010 in Hanoi -- that entity, ADMM+8, having been decreed into existence as a result of one more Vietnamese (and Singaporean) initiative at the May 10-11 Hanoi meeting of the original ADMM +6 of members and partners (China, India, Japan, Australia, New Zealand and South Korea), with the additional two being the Russian Federation and the USA. The declared purpose was to “enhance the legitimacy of ASEAN as a regional cooperative bloc, and the engagement of the US and Russia in East Asia”. But the result was of course to dilute China’s power in that forum, where it had been the sole Great Power --- yet one more result of the inevitable reaction to its military aggrandizement. (It is also possible that the Vietnamese welcomed a forum that could instantly become the right collective security council for them by deducting 1 from the plus 8 of the ADMM).

24.

But the most likely explanation is simply that Vietnam is by far the most active of the Spratly island contenders, and that China’s uncompromising stance on the dispute till then, had brought about a US-Vietnamese rapprochement that started off as a diplomatic partnership but was becoming a tacit military alliance as well –and one that could be all too effective.

25.

This was not an inevitable outgrowth of the 1995 establishment of diplomatic relations between the US and Vietnam. It has been Chinese initiatives, conceivably not even coordinated in Beijing, that have driven Vietnam into closer relations with the US. Consider this incomplete summary of recent maritime incidents:<sup>85</sup>

On 2 February 2010 a Chinese patrol boat stopped and boarded a Vietnamese fishing craft and seized its catch, navigational aids, spare parts and tools.

On 22 March 2010 Chinese patrol boats detained a Vietnamese fishing boat and its twelve-member crew who were sheltering near Woody Islands in the Paracels. Chinese authorities demanded payment of a U.S. \$10,000 fine. This prompted a protest by Vietnam on 30 March.

On 13 April 2010 a Chinese naval patrol seized a second Vietnamese fishing boat and its crew of nine near Da Loi island (near the Paracels) and demanded payment of a U.S. \$10,000 fine.

On 4 May 2010, Chinese Fishery Administration officials seized a Vietnamese fishing boat in the Paracel archipelago and demanded a fine of U.S. \$8,000.

In June, China seized three Vietnamese fishing boats and arrested the crew in waters east of the Gulf of Tonkin and near the Paracel Islands.

On September 11 2010 China seized a Vietnamese fishing trawler and arrested its crew of nine in waters near the Paracels. Four days later, China officially notified Vietnam that the boat had been seized for violating China's territorial waters and the crew detained.

26.

Vietnamese fishermen are not like their much televised Alaskan counterparts : US\$ 10,000 is an immense ,indeed impossible sum for them. Nor did matters improve in 2011. On May 13, the Vietnamese Foreign Ministry protested the unilateral Chinese proclamation of a fishing prohibition in the Hoang Sa (= Paracel) archipelago from noon May 16 to

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<sup>85</sup> Carlyle A. Thayer *The Tyranny of Geography: Vietnamese Strategies to Constrain China in the South China Sea*. Paper to International Studies Association Convention, Montréal, March 16-19, 2011.

noon August 1. The announcement was made just before, on May 11, by a posting on the Hainan province Haikou Municipal Government website. That forced the VFM spokeswoman Nguyen Phuong Nga to issue a categorical declaration<sup>86</sup>:

“Vietnam has indisputable sovereignty over the Hoang Sa (Paracel) and Truong Sa (Spratly) archipelagos and sovereignty and jurisdiction over its exclusive economic zone and continental shelf ..“China’s unilateral execution [sic] of a fishing ban in the East Sea is a violation of Vietnam’s sovereignty over the Hoang Sa archipelago”

27.

Politically, Vietnam and the United States should have been firmly separated by the persistence of the VCP dictatorship with the consequent and chronic violations of human rights and the institutionalized denial of democratic political rights.

By contrast, the VCP government of Vietnam has excellent reasons to strive for good relations with the CCP government of China, and vice versa . Unless all reality is overlooked to consider the family-owned Latino dictatorship and the family-owned Korean Shamanistic cult as communist parties, ideological solidarity between governing Communist parties has become a very rare commodity , indeed it is limited to the CCP and VCP. Moreover, the Vietnam government has excellent economic reasons to cooperate with China as much as possible. Indeed a careful study of Sino-Vietnamese relations by a specialist summarizes just such strivings<sup>87</sup>:

“There is an apparent paradox in Sino-Vietnamese relations. On the one hand, these two countries are experiencing arguably the greatest friction over territorial disputes in the South China Sea in recent years. There is palpable Vietnamese nationalist

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<sup>86</sup> 14 May 2011 “Vietnam opposes China’s fishing ban in East Sea”. Vov News. <http://english.vovnews.vn/Home/Vietnam-opposes-Chinas-fishing-ban-in-East-Sea/20115/126608.vov>

<sup>87</sup> Carlyle A. Thayer *The Tyranny of Geography: Vietnamese Strategies to Constrain China in the South China Sea*. *Op.cit. Abstract*

anti-Chinese sentiment among large sections of the political elite. Vietnam's military establishment has stepped up its self-help efforts with major big-ticket arms procurements including more Su koi-30 multirole jet fighters and diesel powered Kilo-class conventional submarines. On the other hand, high-level party, state and military leaders continue to exchange visits and speak of bilateral relations in effusive terms.

The author goes on to describe the web of inter-party as well as inter-government relations.

28.

But always and everywhere, strategy is stronger than politics (and stronger than trade as well), and the result in this case also is one more politically unnatural alliance decreed by the logic of strategy.

30.

What a US-Vietnam alliance might mean was anticipated in low-key fashion by the "Lower Mekong Initiative", comprised of the United States, Vietnam, Cambodia, Laos, and Thailand (the "lower" helpfully excludes China and its sometime quasi-client Myanmar)<sup>88</sup>. It is all about water and fish and such but interestingly the protagonists are the respective Foreign ministers (hence a meeting was held in conjunction with H.R. Clinton's October 2010 Hanoi visit). The LMI's agenda includes everything-- climate change, fighting infectious disease, education policy, river- management information-sharing (the Mekong River Commission and the Mississippi River Commission agreed to pursue a "sister river" partnership to share expertise and best practices). Then there is the minor agenda item that provides the fuel for it all: the LMI is to monitor and coordinate responses to the construction of dams – particularly but *not exclusively* those being built in China. Encirclement light (the *not exclusively* is a fine touch) still encircles.

31.

What a US-Vietnam alliance might mean was also anticipated in more dramatic fashion by the August 2010 visitation of the USS *George Washington* (CVN 73) carrier strike group, including USS *Curtis Wilbur* (DDG 54), USS *Chung-Hoon* (DDG 93) and USS *McCampbell* (DDG 85) as

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<sup>88</sup> Officially described in: <http://www.state.gov/p/eap/mekong/index.htm>

well as the deliciously well-named guided-missile destroyer USS *John S. McCain* (DDG 56).

This event is best described by two different texts, one produced by SUN public relations staff, and the other by one of the Cap's best wordsmiths. Extracts of Text No. 1 : From U.S. 7th Fleet Public Affairs , August 9,2010 Story Number: NNS100809-01

“ Seventh Fleet Kicks off Vietnam Naval Engagement Activities”.  
...[the] weeklong series of naval engagement activities with the Vietnam People's Navy ...[were].. centered around non-combatant training, such as damage control, search and rescue, and skills exchanges like cooking and maintenance events. Friendship-building events such as medical and dental civic action projects, .. and U.S.-Vietnamese Navy sporting events ...”

32.

Surely nobody could possibly feel threatened by Americans and Vietnamese busy with dental, cooking and sporting events. Naturally, Vietnam's notables were not overlooked:

“A group of government and military leaders flew from the city of Ad Nang to the aircraft carrier USS George Washington (CVN 73) to meet with Navy leadership and observe the strike group as it operates in the South China Sea”.

Those operations presumably were not dental or culinary. Nobody had to fly to visit the USS John S. McCain that docked in Ad Nang from August 10. Unnecessarily, the release explained that “the ship is named for the father of Sen. John McCain, a respected figure in Vietnam who was a prisoner in Hanoi during the Vietnam War”. After one more mention of “medical, dental, and engineering civic action..[and even] community service events” , the release quoted Rear Admiral Ron Horton, commander, Task Force 73 about the purpose of it all:

"Exchanges like this are vital for our navies to gain a greater understanding of one another, and build important relationships for the future." [presumably not only dental, culinary...]



Next , the release recapitulated recent port visits to Vietnam: two in 2008; The first “fly out” in 2009 to the USS John C. Stenos (CVN 74); also in 2009 , U.S. 7th Fleet flagship USS Blue Ridge (LACK 19), and the guided-missile destroyer USS Lassen (DDG 82), not coincidentally commanded by Vietnamese-American Cmdr. HOB Le --who duly attracted much media attention--and earlier in 2010, the hospital ship SUNS Mercy (T-AH 19). Far more significantly, given the difficult logistics of SUN operations so very far from its home ports, the release mentions:

.... The rescue and salvage ship USNS *Safeguard* (T-ARS 50), and the dry cargo-ammunition ship USNS Richard E. Byrd (T-AKE 4) [were repaired] by Cam Rahn Shipyard, Hong Koi Port, Van Phong Bay.

33.

Extracts of text No.2 : August 13, 2010 article by Kao Wei-min: "The United States and Vietnam Must Not Behave Unscrupulously in the South China Sea". From the Chinese-language Hong Kong newspaper *Ta Kung Pao* ( *Dàgōng Bào* 大公报 or 大公报), founded in 1902 to promote democracy in China but under CCP control since 1949 [BBC monitoring service translation]:

Following Hillary's [sic] claim in Vietnam in July that "the United States has national interests in the South China Sea," the US carrier George Washington and the destroyer John S. McCain ...will stage an "unprecedented" joint sea exercise in the South China Sea..The question of "how to deal with a more self-confident China" is triggering argument in American media and academic circles. Some [say] .. that the United States urgently needs "a new China strategy," [starting in]..the South China Sea".

34.

In the pre-aggrandizement era China could count on the automatic support of what were “non-aligned countries”; they are still invoked, even if no name is cited:

However, Malaysia and others have warned the United States: "You cannot interfere in high spirits in the South China Sea, you will only bring trouble there..." ...

On 10 August, the US destroyer John S. McCain docked at Tien Sa in Da Nang port in central Vietnam... news from the US Seventh

Fleet greatly boosted the whiff of gunpowder in the visit: "The destroyer John S. McCain and the carrier George Washington will stage an "unprecedented" joint military exercise with the Vietnamese Navy" ...

It is not difficult to see .. that Vietnam is deliberately using this kind of exercise to bump into the present complex South China Sea situation, otherwise it should send a powerful message of friendship to China to balance the effect of the exercise.

35.

Next there is a fully realistic explanation of the US-Vietnam coalescence safely attributed to "public opinion" :

Public opinion has pointed out that the reason why the United States and Vietnam, enemies during the Cold War, can embark on a honeymoon today is entirely due to Vietnam's antagonism towards China over the island dispute, and the United States is trying to contain China's power expansion in the South China Sea; the concerns of the two countries have coincided again.... China's territorial ambitions are already causing unease in Vietnam. ..

[Sub-title: Frequent US "Confused Roaring" at China]

... the US attitude to China on the oceans is becoming more and more hard-line. This "happens to coincide" with the atmosphere of domestic public opinion regarding China. ... articles blaming China are tending to gather together in American media.

36.

But Kao Wei-min argues that it is the US and not China that will be isolated, because it only has ships while China has money:

Previously, ...some ASEAN countries proposed currying US favour over the South China Sea issue, but these countries are also clear that the United States cannot help them except in the military and security aspects, while the ASEAN countries economically depend more and more on China...

This shows a touching faith in non-dialectical materialism; then Malaysian opinions are invoked again, repetitiously:

On the same day, Malaysian media published an appeal to all sides to keep calm; it said that on the South China Sea issue Washington cannot intervene in regional affairs in high spirits; to do so will only cause trouble ...

37.

Now comes an admonition that the previous mentions of the Philippines [omitted] and Malaysia should have made redundant:

Faced with the play between the powers, and with excessive US interference in the South China Sea, ASEAN countries *should vigilantly explain* that the United States should ..not behave unscrupulously in the South China Sea,

Next there is an admonition:

.....although the United States and Vietnam both claim that the embrace of their navies has nothing to do with China, the majority of international media do not see it that way. What in fact are Vietnam's intentions?

China's performance in the South China Sea in recent years has been restrained; that is, it can safeguard China's rights and interests and also safeguard overall stability in the South China Sea, *and is not in confrontation with the countries on its periphery..*[Italics added].

Next Kao Wei-min isolates Vietnam-- it is not one of those countries.

However, Vietnam's actions now are very selfish and only thinking about itself without thought for the periphery. Vietnam has on many occasions displayed a hardline attitude on South China Sea territorial issues, *and also displayed resolve that it does not shrink from fighting over the islands there.*

38.

For Kao Wei-min, Vietnam is anomalous because it is willing to fight for its territory. Moreover, it is so bold that its officials actually name China as the antagonist, and are bringing others into the fray -this time "international opinion" is cited as the authority:

Certain officials have publicly named China. International opinion now holds the view that Vietnam is making efforts to internationalize and multilateralize Sino-Vietnamese disputes over

South China Sea territory, and wants to enlist the help of the United States, currently the world's strongest power, to counter China in the South China Sea.

Tension in Sino-US relations is rising, and Vietnam is now playing a role in aggravating Sino-US confrontation; the Chinese see and hear the US Congress and media deciphering of US-Vietnamese relations, and *Chinese society's* dissatisfaction with Vietnam is rapidly accumulating; *this is bound to have a complex effect on China's future Vietnam policy.* [Italics added]

39.

That is a veiled warning: Chinese public opinion (“Chinese society”) is losing patience. But then Kao Wei-min immediately removes the veil to issue a direct military threat.

This is seemingly the purpose of the entire long article –to try to intimidate Vietnam by arguing that US naval power cannot protect it from a Chinese offensive:

Vietnam should not expect that it can do what it likes in the South China Sea; if the US Navy provides protection for it, should China and Vietnam truly come into confrontation, no aircraft carrier of any country can make Vietnam secure. ...

Vietnam must not play a dangerous game between China and the United States; that is playing with fire.

40.

What makes this article so revealing is that Kao Wei-min first cites “public opinion” to frankly admit that China’s territorial expansionism is the cause of it all, (“ ..the United States is trying to contain China's power expansion” ...; and: “China's territorial ambitions are already causing unease in Vietnam..”), but then goes on to argue in effect that because China is China, Vietnam should shut up (officials have named China..) and concede what it wants, because “no aircraft carrier of any country” can protect it from China’s unleashed strength.

41.

Of this warning, all one can say is that it would be more credible if directed at some other nation.

For the Vietnamese by contrast it is not dissuasive at all but rather positively an encouragement to persist . For the core of their national

identity is the giant-killer complex so manifest in Vietnam's war against the United States, which originated in the formative experience of resisting an even greater power than any Chinese empire: the world-conquering Mongols who attacked in 1257-1258, and then in 1284-1285 (after the formation of the Yuan dynasty) , and again in 1287-1288. The Mongols were defeated each time. Only after the Mongols retreated did the Vietnamese pay tribute. Undoubtedly they would willingly do so again ---after defeating the PLA once more.

42.

That the Chinese rulers of whom Kao Wei-min is a skilful spokesman should know nothing of their historic neighbors would be inexplicable, but for great-nation autism.

That is a very natural trait in the greatest nation, and it could have been harmless, if China were not intent at present on pursuing aggrandizement as well.

As it is, a classic escalatory trigger has been contrived by the incendiary combination of obstreperous Chinese autism , Vietnamese defiance, and the Palmerstonian activism of the United States. It could be activated the the next time the Chinese try to seize a reef , rock or shoal.

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#### IV. SOUTH KOREA : a model *Tianxia* subordinate once more ?

1.

It was noted at the start that all independent states invariably assert their absolute sovereignty – but that not all states are possessed of political cultures equally refractory to subordination to foreign powers – some are more pliant than others. The usual motivation is fear, but in the case of Republic of Korea fear is only a secondary and indirect factor, insofar as China can choose to leash or unleash North Korea. The motivation, rather, is a combination of deep cultural respect for China and the Chinese--highlighted by elite (not popular<sup>89</sup>) resentment against the United States and Americans--and above all, a lively awareness of the ever-increasing relative importance of China's market for South Korea.

Again, while all strive to pursue economic advantage, not all do so with equal intensity ---and compared to Koreans even the Japanese are unfocused, while the Chinese are downright self-indulgent.

2.

Respect for China and the Chinese survives current Korean perceptions of their business practices –which in any case are significantly less unfavorable than those of Japanese, Europeans or Americans. This attitude dates back at least to Ming times, and was the subject of impartial study before the advent of the CCP to power in Beijing, with folklore as the empirical basis.<sup>90</sup> That refers to popular respect for China and the Chinese but it was Korea's bureaucratic meritocracy, the *Yangban* class that was the embodiment of a unique imitation cult : following the 13th century introduction of Neo-Confucianism, Korean devotees identified as "Lesser Chinese", though the ruling Joseon (or Chosŏn) dynasty only became a Qing tributary in 1636. That is quite a contrast to Vietnamese perceptions of the worth of the Chinese.

Subsequently, Korea's fate was such that it is the Japanese rather than the Chinese impositions that are still resented, while Chinese cultural influence is only reviled, paradoxically these days, in North Korea which

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<sup>89</sup> Public opinion polls show 75%+ approval ratings for the US, among the highest in the world. Elite views on the other hand reach the extremes exemplified by the unprintable Yoon Min-suk protest song.

<sup>90</sup> F. L. Olmstead "Korean Folklore and attitudes towards China" *The Journal of American Folklore* . Vol. 68, No. 267. January-March 1955.

relies exclusively on the Hangul Korean alphabet, with Chinese characters (Hanja) prohibited.

3.

As for the anti-Americans of educated younger Koreans –they find it easy to explode in anger at any mere incident, and readily accuse their political leaders of servility – it scarcely requires explanation for it is rooted in the most common of human sentiments: unreciprocated bounties easily become humiliations.<sup>91</sup> In the Korean academy, the notion that the Korean War was an American or Sino-American plot, enjoys surprising credence, while much less explicitly there is ample racial resentment for decades of GI couplings with Korean women. Such is the sub-text of agitations and exaggerations.<sup>92</sup>

4.

No doubt more significant is the finding that South Koreans are more inclined than Japanese or Europeans to believe that China will become the country's most important trade partner, ahead of the US, whose importance is anticipated to decrease. According to the above-mentioned detailed poll released in 2011, the average scored importance of economic relations with China is expected to increase over the next ten years , as compared to 2005 from 7.62 to 8.02 in South Korea, as opposed e.g. to 7.51 to 7.93 in Australia for all its vast raw material exports to China, and 7.15 to 7.45 in the Philippines. Concurrently, the economic importance of the US is expected to decline: average score down from 8.00 to 7.82. (It should be noted that for South Koreans the economic importance of China is not merely a matter of corporate or national significance but personal as well: more than any other nationality, individual South Koreans have found good self-employment in the largest Chinese cities as experts in all fields).

5.

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<sup>91</sup> When Nubar Pasha was told that a junior clerk was spreading vile rumors about him, he replied : and yet I do not recall I ever conferred any benefit upon him (Et pourtant je ne me rappeller pas lui avoir conféré aucun biefait); Sir Ronald Storrs *The Memoirs of Ronald Storrs* (New York, 1937) p. p.95 .

<sup>92</sup> Robert Hathaway *The Making of "Anti-American" Sentiment in Korea and Japan*. Woodrow Wilson International Center for Scholars. May 6, 2003. Retrieved 2007-12-05

South Koreans also have distinctly more favorable views of the impact of the Chinese economy. Between 2005 and 2010 the number remained stable at 49%, remarkable considering that China is a direct competitor for Korea; in Australia, by contrast, favorable views declined from 54% to 52% between 2005 and 2010, though China does not compete with Australia and became a larger market for it; in Japan, those who had positive views of China's economy declined from 35% to 23%..

6.

This is the psychological and political background of the current strategic relationship between the Republic of Korea and China.

That relationship is of course a derivative of the more immediately significant strategic relationship between the Republic of Korea and North Korea.

7.

The latter has different aspects of course, but only one is really significant in the Sino-South Korean context : very peculiar reluctance –indeed refusal – of the South Koreans to deter North Korean armed provocations in the normal manner of countries in conflict, that is by prompt, convincing, and proportionate retaliation.

It is understood by all that it is the United States that is supposed to deter any large-scale North Korean aggression of strategic significance with its global military capabilities; but it is the South Koreans with their very large and well-equipped armed forces in place that are supposed to deal with localized, one-time, attacks, that is armed provocation that have no operational continuity. This understanding was formalized and greatly broadened in application with the 2007 US-South Korean agreement to transfer (by April 2012) operational control of ROK forces even in wartime from the current UN [=US] to ROK command).

8.

What has happened in practice, however, is that the South Koreans have not responded to North Korean provocations, remarkably even in the case of really damaging attacks, notably the March 26, 2010 sinking of the 1,200-tonne corvette *Cheonan* with the loss of 46 of the 104-man crew.



Within two months it was proven that the *Cheonan* was split in two by a torpedo but the South Koreans did not retaliate, even though the North Korean navy offers many comparable targets .

Next, on November 23, 2010 a sudden North Korean artillery barrage on Yeongyeong island some 75 miles from Seoul killed four , wounded many more, and left a substantial built-up area in ruins. This time also there was no prompt, convincing and proportionate retaliation-- some rounds of artillery belatedly fired in response were deliberately aimed at empty wasteland.

9.

The exact reasons for South Korea's refusal to follow the customary practices of deterrence are entirely irrelevant – even Stock Market concerns (!) have been mentioned.

It certainly cannot be the fear of a yet more damaging North Korean response--the usual excuse cited-- for that would mean that the South Korean armed forces cannot deter anything, given that is the United States that is responsible for deterring any full-scale attack or outright aggression.

10.

Nor could the particular composition of the South Korean government in 2010 explain its passivity –indeed its President was elected on a supposedly “hard-line” platform.<sup>93</sup>

What counts is the impact on Chinese-South Korean relations.

11.

The expressed and disingenuous Chinese response to every inter-Korean incident (all caused by North Korea so far) is to piously ask both sides to “show restraint”, and to call on all concerned to resume the China-hosted “Six-Power talks”.

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<sup>93</sup> Lee Myung-bak since February 25, 2008; at the April, 2,2009 G-20 London meeting presidents Obama and Lee agreed on a "stern" response" to a threatened North Korean satellite launch. On April 5, the North Koreans launched a *Taepodong-2* IRBM. There was no South Korean response, stern or otherwise.

In the meantime, China maintains cordial relations with North Korea at the government level, fraternal inter-party relations, and collegial inter-military relations, founded on selectively glorious shared memories of the Korean War. China also continues to provide North Korea with economic help that is most probably essential for the survival of the regime –which can always do without basic necessities for the starving population at large, but needs decent food and the usual consumer goods to preserve elite cohesion.<sup>94</sup> There is a substantial unrequited trade imbalance ( \$1,25 billion in 2008) and that is the minimum amount of the Chinese subsidy.

12.

That is money very well spent because it gives the Chinese leaders a reliable leash on North Korea –a leash that is of course only useful insofar as North Korea continues to be aggressive periodically; no leverage derives from a leash on a dog that never bites.

13.

Whatever South Korean governments may state or believe, their refusal to retaliate promptly, convincingly and proportionately for North Korean attacks, makes them, in effect, lieges to both the United States for the deterrence of all-out war, and of China to deter one-time attacks.

From the US point of view, on the other hand, this means that it alone faces the costs and risks of safeguarding the Republic of Korea from North Korea, while China still has ample influence over it, because China certainly holds on to its leash, and it may credibly be attributed with a goad as well in given circumstances –that is if a ROK government were to assume a disrespectful attitude to Beijing.

14.

That is far from happening now –to the contrary, there is much deference, and much eagerness to attribute merit to the Chinese leadership for keeping North Korea on a tight leash. A May 9, 2011 report from Beijing in the English-language version of the *Choson Ilbo* is a case in point<sup>95</sup>:

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<sup>94</sup> Local customers predominate in the always well-stocked *Pyongyang Number One Boat Restaurant* moored off Kim Il Sung Square.

<sup>95</sup> By Chang Se-jeong " China's no to Kim's request : North leader asked for 30 bomber jets"

“...North Korean leader Kim Jong-il requested [from] the Chinese ...the latest in military weapons ..last May, according to a source in Beijing.. China turned down the request, he said. “Kim Jong-il returned to North Korea from China last May in a bad mood,” the source said. “. ..Among the weapons that Kim asked for from China were 30 *Jianjiji Hongzhaji* fighter-bombers <sup>96</sup> loaded with C-801 and C-802 anti-ship missiles. ..The source said Kim was convinced that North Korea should be prepared for a counter-strike from the United States and South Korea after the sinking of the *Cheonan* last March. [ He] also apparently tried to convince China that any attacks from the South and U.S. could spread to China. ...Kim repeatedly told the Chinese leadership that North Korea had not sunk the [ship], *even though Beijing sternly asked him about the incident three times...*[Italics added]

15.

After the Chinese refusal, the *Choson Ilbo* report noted that Kim Jong-il left Beijing abruptly, missing a scheduled theatrical performance.

The Beijing source that attributed prudent restraint to Chinese leaders in restraining the impetuous North would have been more credible had his report not echoed another, published in the same *Choson Ilbo*, eleven months earlier on June 17, 2010 ("Kim Jong-il Demands Fighter Jets from China") :

“North Korea asked China to provide it with the latest *J-10* fighter jets and other hardware but was rejected, it emerged Wednesday. ..Kim Jong-il made the request to Chinese President Hu Jintao when he visited China in early May. But Hu apparently told Kim that China will protect and support him if attacked. Observers guess this is the reason why Kim left a day earlier than scheduled.

16.

In both version, the Chinese restrain North Korea by denying it strike aircraft in 2010; in both versions Kim Jong-il , impolitely leaves one day

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<sup>96</sup> Xian JH-7; NATO: *Flounder* or FBC-1, “Flying Leopard” two-seat, twin-engine fighter-bomber; IOC from 1998 with the PLAAF; 2002 with the PLANAF.

earlier than planned, but in the 2010 report he is denied the J-10 lightweight single seater, while in the 2011 version of the same episode he is denied the two-seat JH-7 : Chinese moderation is increasing.

17.

More evidence of deference to China is the refusal to grant entry to the Dalai Lama, a figure widely respected by Korean Buddhists . Even when a wholly apolitical Nobel Peace laureates' conference was convened in South Korea in 2006, the Dalai Lama was refused a visa, with the unembarrassed explanation that China is Korea's number one trade partner and, in addition its help was needed to persuade North Korea to give up its nuclear ambitions.<sup>97</sup>

After that, however, as noted, South Korea acquired a supposedly "hard-line" president, Lee Myung-bak, and on June 27, 2010 the Dalai Lama was able to commune with more than five hundred Korean monks ...in the Intercontinental Grand Hotel of Yokohama, Japan.<sup>98</sup>, having again been refused a visa. Whatever the US-Korean alliance might comprise, values are not included.

18.

So long as the Republic of Korea continues to respond to deadly North Korean attacks with plaintive words alone-- praiseworthy no doubt for those who love peace above all else-- it could only subtract from, and not add to any coalition meant to dissuade Chinese aggrandizement .

If nonetheless unwisely admitted to its councils, South Korea under its present policies could only weaken the collective resolve to resist China, if not in general and declaredly then whenever resolve would have to translated into concrete action, for example to mount joint maritime patrols of contested waters.

Nor is South Korea likely to participate with its own forces if such decisions were implemented nonetheless, for fear that China would retaliate by relaxing its leash on North Korea or even apply the goad.

19.

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<sup>97</sup> Naresh Kumar Sharma, TNN May 27, 2006 "South Korea denies visa to Dalai Lama"

<sup>98</sup> <http://www.dalailama.com/news/post/560-dalai-lama-meets-korean-buddhists-in-tokyo>

By contrast, the Republic of Korea under its present policies could conjugate membership in China's Tianxia as a sort of "lesser Chinese" subordinate with the persistence of the US-South Korean alliance-- after all, the US is quite used to its one-sided commitment and exacts no price for free-riding, while the South Koreans are obviously more inclined to be lieges than to accept the costs and risks of providing for their own security.

20.

There is oblique evidence of this refusal to assume responsibility in the eagerness to pursue quarrels with Japan that are entirely devoid of strategic significance. Even in 2010, in between deadly North Korean attacks that were neither deterred nor punished, 37 members of the ROK Congress formed a forum to promote Korea's territorial claim to Japan's Tsushima island which the Koreans call Daema-do. Others rejoice in Korea's possession of the Liancourt Rocks, known as Takeshima to the Japanese who claim them, but which the Koreans call Dokdo. The *Korean Times* runs a permanent essay competition on the ownership of the islets, with no prizes for finding merit in Japanese contentions; how this alleviates South Korea's acute and pathetic vulnerability is left unclear.

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## V. MONGOLIA : northern outpost of the coalition ?

1.

Mongolia is Vietnam's twin and South Korea's polar opposite when it comes to relations with China, for it could not survive as an independent state within the Chinese orbit, even though China did legally, formally and finally renounce its claim to all of Mongolia with the 1962 border treaty and 1964 boundary protocol (which added another ten thousand square kilometers to Mongolia's one and half million) .

Prior to that, by the usual appropriation of ownership that still persists in the case of Tibet , Chinese governments had rejected Mongol declarations of independence (from 1911), claiming that Mongolia was part of "China", because the Manchu Qing dynasty had ruled both Mongol and Han-Chinese lands , as well as those of many other nationalities of course. By that criterion ,as noted, Sri Lanka could claim India..

2.

Today there are no annexationist threats from Beijing, but as a landlocked country with only two neighbors, Mongolia must rely on the other to safeguard its independence – and that too somewhat precariously, because Russians remember too well the unfailing obedience of the pre-1990 Mongolian People's Republic to the Soviet Union.

3.

Another vulnerability is demographic--though it could be a strength: there are only some two and a half million Mongols in the vastness of Mongolia, but there are four million in China's Inner Mongolia Autonomous Region (even though almost 80% of its population is Han) , with a million and half more in Xinjiang and elsewhere in China, as well as four hundred thousand Buryat Mongols in the Republic of Buryatia of the Russian Federation.

4.

In theory, because of its independence and because it contains the ancestral sites of the nation, Mongolia should be the cultural center for China's more numerous Mongols as well , exerting corresponding influence in Inner Mongolia. One obstacle, however, is that there is not much cultural capital in the Mongolian language, given the almost

universal use of Russian (and now some English) in higher education instead of Mongol; another obstacle is that in 1946, by Stalinist diktat, the Cyrillic alphabet was imposed for Mongol as well.<sup>99</sup> while the Mongols of China retain the historic Mongol script derived from cursive Hebrew, via Aramaic, Syriac, Sogdian and Uyghur.

5.

As a land-locked country with only two neighbors, both of which have imperial dimensions and at least latent imperial pretensions over it, Mongolian governments have made great and not unskillful efforts to interest other countries in their own.

They did duly evoke the distant benevolence of the United States, which is both appreciated and of small net value in enhancing Mongolia's independence because it evokes an almost symmetrical Russian displeasure – which matters more.

6.

Japan is the obvious third party that should have been able to offer a significant counterweight to the suffocating embraces of China and the Russian Federation.

The establishment of diplomatic relations in 1972 generated little activity but after the 1990 liberalization there was a sustained effort of both sides to communicate and cooperate, with many expressions of reciprocal interest, and no antipathies standing in the way.

Many official visits ensued and there is even a standing committee for economic cooperation, but in spite of much goodwill, in the end the narrow base of the Mongolian economy and Japan's high-end orientation defeated optimistic expectations. As of 2009 (last available data) Japan absorbed less than 1% of Mongolia's exports as opposed to China's 74.1%, Canada's 9.4%, and 3.4% for the US. It supplied 6% of its imports, as opposed to Russia's 34.6%, and China's 31.7%. Japanese investments came to 3.4%, as compared to China's 51.1%, Canada's 10.6%, and South Korea's 6.7%. Japan has been the largest aid giver to Mongolia with its

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<sup>99</sup> See <http://ndnews.imu.edu.cn/mongolia/>

US\$ 40 million per year, but that too will be eclipsed somewhat by the US\$ 300 million over five years of the U.S. Millennium Challenge Account. (With typically Japanese self-criticism, the Japan Ministry of Foreign Affairs blames only one side: “ it is extremely important that Japan engage substantially in the development of Mongolia's .. resources, conduct large-scale investment, and create a mutually-beneficial relationship.”<sup>100</sup>

That injunction came after a rueful assessment that took note of the lack of Japanese business investment, whereas “ ..The presence of neighboring countries China and Russia is overwhelming In addition, the Republic of Korea's influence has been increasing dramatically, with the expansion of small- and medium-sized investments (restaurants, esthetic clinics, [other] services.. [and 30,000 labor permits for Mongolian workers].

7.

South Korean activity in Mongolia undoubtedly profits both sides, but does not help to relieve Mongolia's strategic impasse because the Republic of Korea's government will certainly not serve as a counter-weight to China, or to Russia for that matter. Also, in a manner perhaps not paradoxical, the South Korean presence in Mongolia generates goodwill for ...the Chinese and Japanese , because of a peculiar ethnic incompatibility, and the much more ordinary resentment generated among the deprived by shopkeepers who are both irreplaceable and visibly alien.<sup>101</sup>

## 8. Conclusion

Perhaps the Japanese government will act on the earnest plea of its Foreign Ministry , and perhaps it will be successful in energizing Japanese activity in Mongolia, building a major presence that would then acquire

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<sup>100</sup> <http://www.mofa.go.jp/region/asia-paci/mongolia/index.html>

<sup>101</sup> <http://www.mongolianviews.com/2011/03/south-korean-ambassador-in-ulaanbaatar.html> “South Korean Ambassador in Ulaanbaatar .fathered a child with a .. teen.. refused to pay child support; Most [South Koreans] are like their ambassador. ...not interested in anything except money and sex. ..Maybe, Japanese military should come back and teach them right or wrong.” [A liberal website]



its own political significance, so that Japan could emerge as something of a strategic counterweight to China.

Subject to that happy evolution, however, Mongolia's ability to resist China's potentially overwhelming influence will continue to depend of the counter-veiling influence of the Russian Federation.

9.

In a China/anti-China world, if Russia were to come out on the same side as China, Mongolia would at best have the exiguous autonomy of a mutually convenient buffer state, and at worst it could be reduced to a condominium with figurehead government.

On the other hand, if the Russian Federation does reject authoritarian convergence, to instead join the anti-China coalition to preserve its control of eastern Siberia in the long run, and its influence in Central Asia more immediately, Mongolia would once again become the indispensable and well-protected outpost it was during the years of the Soviet-Chinese confrontation. But this time, it would concurrently obtain the benefits of good relations with the United States, Japan, and the rest of the coalition.

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## VI. INDONESIA: from ostracism to coalition ?

1.

Indonesia's successive governments have not always been especially stable, broadly representative or particularly effective but they have always claimed a distinct regional primacy because of the magnitude of the country's population and geographic extent –disproportionate to its land area, very large though it is. In population, with more than 237 million, Indonesia far exceeds the next ASEAN members, the Philippines with some 94 and Vietnam with 87 million. In total land area, Indonesia's 1.9 million square kilometers greatly exceed Vietnam's 331,000 square kilometers, slightly more than Malaysia. As for the disproportionate extent of the archipelago of six thousand or so inhabited islands, it is of continental dimensions with maxima of five thousand kilometers from east to west and seventeen hundred kilometers from north to south. Counting surrounding seas, Indonesia's universally recognized territory amounts to some five million square kilometers, with an exclusive economic zone that adds three million more.

2.

For all their expansive territory, until 1993 successive Indonesian governments operated under the assumption that sheer distance would guarantee their immunity from China's maritime claims, which by then had already troubled Brunei, the Philippines, Malaysia and Vietnam, as well as Japan, and of course Taiwan in a different way as a rival co-claimant.

Indeed as late as 1991, Indonesia's foreign minister Ali Alatas warned of the danger of conflict over the Spratly islands, seemingly edging towards proposing mediation under Indonesian auspices.<sup>102</sup>

3.

That was just as well, because almost uninterruptedly from the establishment of Communist rule in 1949, China was in any case viewed as the "main threat" by the dominant faction of the Indonesian armed forces, even without a known territorial dispute as well.

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<sup>102</sup> Douglas Johnson " Drawn into the fray: Indonesia's Natuna Islands meet China's long gaze south" *Asian Affairs: An American Review*. September 22, 1997.

4.

Nor was this merely a nominal threat for planning purposes. In spite of China's then extremely limited strategic reach – even it is severely constrained -- there was acute concern over a danger that was deemed ominous even personally , and at times imminent.

If China was not very near, the regional wars of communist insurgency certainly were, and they were vigorously supported by China both in Malaya then in Indochina. There was above all, the internal threat of an uprising by the *Partai Komunis Indonesia*, PKI, the world's third largest -- until the failed PKI coup and subsequent anti-PKI counter-coup and massacres of 1965.

5.

The Chinese government was accused of being complicit with the PKI , both by virtue of inter-party connections and support (manifest in CCP publications) , and because of the perceived role of Indonesia's Chinese population within the PKI. The importance of that role was greatly exaggerated, and twice over, because only a smallish part of Indonesians of Chinese extraction identified with Communist China, and even fewer had any links with its authorities; and because the role of ethnic Chinese within the PKI was not dominant outside the largest cities, with virtually no Chinese in the PKI stronghold of Bali for example.

6.

Official legislation and administrative policies after 1965 reflected both exaggerations: public Chinese religious rituals were banned, Chinese-language schools were shut down, the public display of Chinese characters was prohibited, and Chinese were encouraged to adopt Indonesian-sounding (= mostly Muslim) names<sup>103</sup> .

Most of this legislation (not all) has been revoked but in the meantime the rise of political Islam within Indonesia, and intensifying religious compulsion , have intensified social pressures against the mostly non-Muslim Chinese (many of whom are hardly Chinese in anything else but their non-Muslim religion) stimulating constant if latent hostility, and

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<sup>103</sup> See inter alia

[http://en.wikipedia.org/wiki/Legislation\\_on\\_Chinese\\_Indonesians](http://en.wikipedia.org/wiki/Legislation_on_Chinese_Indonesians)

occasional outbursts of murderous violence.<sup>104</sup>

7.

In theory all this is either in the past , or unrelated to Sino-Indonesia state relations . In practice it is the sub-text that colors reciprocal perceptions – Chinese officials despise Indonesians as self-indulgent, yet violent with their Chinese compatriots defined expansively (though only some have access to Chinese citizenship), while Indonesian officials are congenitally suspicious of Chinese intentions, not only in the long term.

8.

Chinese policy has not served to dispel suspicion over its most immediate object: the Natuna islands, one hundred and fifty miles from Borneo, a thousand miles from the nearest Chinese coast on Hainan island, and about half that distance to the nearest Chinese outpost in the Spratly islands , Cuarteron Reef, <sup>105</sup> itself established only in 1998 after the March 14 Johnson South Reef skirmish with the Vietnamese.

9.

Suspicion is not aroused because the Chinese are claiming the Natuna islands or have ever done so, but rather the contrary, because they issue periodic statements to deny that there is any dispute over the islands. Thus in June 1995, the Ministry of Foreign Affairs spokesman Chen Jian stated categorically “ there is no dispute between China and Indonesia on possession of the Natuna Islands”.

That should have been entirely reassuring but then Chen Jian added: “We’re willing to hold talks with the Indonesian side to settle demarcation of this area” , without elaborating further.

There was no need: two years earlier in the 1993 Indonesian-sponsored Surabaya workshop on the Spratly dispute, the Chinese side had greatly surprised the Indonesians -who thought they were helping others to resolve their own disputes while having none of their own – by claiming the waters east and north-east of the Natuna islands on the basis of their

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<sup>104</sup> in the last mass outburst , several hundred were killed and more hundreds were raped in May 1998 .

[http://en.wikipedia.org/wiki/Jakarta\\_Riots\\_of\\_May\\_1998](http://en.wikipedia.org/wiki/Jakarta_Riots_of_May_1998)

<sup>105</sup> 8o1.5' 112o0' *Huayang Jiao*.

now famous “dotted line” or “nine-dash “ map<sup>106</sup>, whereby Chinese territory loops a long way south from China and altogether nearer to Indonesia, Malaysia, the Philippines and Vietnam so as to encompass much of the entire South China Sea.

10.

When the ownership of small islands of scant worth is disputed, it is almost invariably said nowadays that there is oil in the waters round about or at least gas, and in large amounts of course. It is no doubt comforting to believe in the prevalence of rationality in matters of war and peace and territory, in spite of millennia of evidence to the contrary, and so it was that the Falklands/Malvinas were endowed with so far entirely undiscovered vast oil reserves when men died in fighting over them. The sea around the Natuna islands by contrast definitely do contain vast gas deposits and oil as well, with production already underway and much more to come, so the dispute mattered as such even if nothing ensued from it, because it would inhibit investment and stop or slow the exploitation of the reserves (as it happened, however, an Indonesian-Exxon quarrel did that efficiently enough).

11.

There was no possibility that Indonesia would renounce its claim but neither did the Indonesian government vigorously dispute Chen Jian’s un-reassuring reassurance –that is not the Indonesian way, they are not Vietnamese, they prefer avoidance to defiance. Foreign Minister Ali Alatas accordingly replied to Chen Jian: "We appreciate the spirit in which the spokesman [Chen Jian] made the statement. But Indonesia does not see it has a sea border problem with China, or the necessity to have sea border delimitation. China is far away to the north...On Natuna,

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<sup>106</sup> Li Jinming ,Li Dexia “The Dotted Line on the Chinese Map of the South China Sea: A Note” *Ocean Development & International Law*, 34:287-295, 2003.

there is no claim from China and there has never been a problem between China and Indonesia. So there is no question to be discussed."<sup>107</sup>.

12.

The Chinese proceeded to do nothing to advance or abridge the Natuna offshore end of their vast claims, while the Indonesian default position as the party in possession was of course to do nothing.

In the meantime, the Chinese had good reasons to be satisfied with the policy of Indonesia's leaders towards the US military presence in their region-- they were against it, under a ghostly survival of classic non-alignment in 1950s style that inherently disfavored the United States, which in turn had reasons to sanction Indonesia over human rights and the repression in East Timor.

13.

But that was before the sequence of accidents and incidents that transformed Indonesia's strategic outlook, notably including the 1998 and 1999 Chinese appropriations in the Spratly islands, with lethal violence against Vietnam, and with real mischief in dealing with the Philippines if the pun be allowed, because Mischief Reef is squarely within the Philippine exclusive economic zone measured from the nearest coastline.

14.

The greater transformation, however, occurred in US-Indonesian relations.

The January 2005 Bandar Aceh tsunami rescue and relief operations introduced the most Muslim and most anti-American of Indonesian populations to the virtues of the US Navy, and by the end of that same year solid progress in democratization and the safeguarding of human rights allowed the resumption of the US-Indonesian military relationship, in the first instance through the International Military Education and Training program; also, under a "National Security Waiver", Congressional restrictions on Foreign Military Financing (FMF) for lethal defense articles were relaxed. It took much longer to resume full military cooperation - the prohibition of assistance to *Kopassus*, Indonesia's

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<sup>107</sup> Simon Sinaga, "No Problem with China over Natuna Isles, Says Matas," *Straits Times*, 27 June 1995, p.15. Cited by Douglas Johnson as per footnote 97.

version of the US Special Operations Command , and such implicated in repressive operations, was not voided until July 2010 .<sup>108</sup>

As for the US Navy, having first arrived in humanitarian style it could return in proper naval fashion , for its sea-control abilities suited the Indonesians very well by then –another achievement of China’s unskillfully overbearing foreign policy.

15.

Then Australia stepped in once again to provide what the United States could not, a stable, treaty-like security alliance, in the form of the 2006 “Agreement Between the Republic of Indonesia and Australia on the Framework for Security Cooperation” .

One of its preambles marked a distinction between the two parties on one side, and China on the other: “Recognising that both Parties are democratic, dynamic and outward-looking members of the region and the international community;....

The declared purposes of the agreement included :

“ ..to provide a framework for deepening and expanding bilateral cooperation....on matters affecting their common security as well as their respective national security”.

Under “Defence Cooperation”, the agreement contains highly substantive positions –typical expressions of Anglo-Saxon concreteness that Indonesian officials would have resisted but for China’s alarming behavior , including :

... the closest professional cooperation between their Defence Forces; ...Regular consultation on defence and security issues of common concern; and on their respective defence policies; Promotion of ..capacity building of defence institutions and armed forces of both Parties including through ...training, exercises, ...and [the] application of scientific methods to support capacity building...activities; Cooperation in the field of mutually beneficial

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<sup>108</sup> By David S. Cloud, “U.S. to resume aid to Kopassus, Indonesia's controversial military forces” Los Angeles Times, July 23, 2010.

defence technologies and capabilities, including joint design, development, production, marketing and transfer of technology as well as developing mutually agreed joint projects.

Then under “Intelligence Cooperation” , the agreement calls for:

...the exchange of information and intelligence on security issues between relevant institutions and agencies...

“ Maritime Security” had its own specific provisions that are no doubt of interest to China, including:

“Enhancing existing Defence and other cooperation activities and capacity building in the area of aerial and naval maritime security..

16.

The Chinese government might have mitigated if not reversed the very unfavorable shift in Indonesia’s overall strategic alignment by a tactful retrocession from their maritime pretensions.

But when the Chinese were given the opportunity, they instead reasserted their maximal claim, and in very abrasive fashion: in June 2009 the Indonesian navy detained 75 Chinese nationals and their eight fishing boats off the Natuna Islands. In response, Qin Gang , Foreign Ministry spokesman in Beijing described the area as *Nansha* (南沙群岛) the Chinese term for the Spratly islands as a whole – adding in typically bullying tones:

“China is strongly dissatisfied with Indonesia for having detained Chinese fishing boats, and it demands that the Indonesian government immediately release the fishermen and boats.” <sup>109</sup>

Having adopted one tone, Qin Gang immediately switched to another, tripping over the inter-cultural boundary with the typically intra-cultural presumption that one can scold one minute and warmly embrace in the next:

... China and Indonesia [are] “strategic partners,” ... “The two countries should settle the problem as soon as possible in the spirit of friendly consultation and maintaining the overall situation of bilateral relations.”

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<sup>109</sup> *Jakarta Globe* "China Asks Indonesia To Free Fishermen" June 26, 2009



And then came the territorial claim , in a reference to “ the waters around China’s Nansha Islands” (南沙群岛) , to which Qin Gang added : “China is gravely concerned about this incident.”

17.

Under the rubric of strategy, the Indonesians may have other shortcomings but they are not lacking in subtlety. Just as they long tried to ignore the Natuna claim to give the Chinese and opportunity to quietly forget it , now they will not renounce any partnership with Beijing strategic or not. But they are striving to ensure that they can contain Chinese pressures with means of their own, or not as the case might be. On May 26, 2010 for example, Rear Admiral Among Margono, commander of the Eastern Fleet Command of the Indonesian navy, supported by a band, ceremoniously welcomed in Surabaya the arrival of USS *Tortuga* (LSD 46), USS *Vandegrift* (FFG 48), USNS *Salvor* (T-ARS 52) and the U.S. Coast Guard cutter *Mellon* (WMEC 717) for a joint exercise, “part of the ...Cooperation Afloat Readiness and Training (CARAT)” program of six original partner nations, Brunei, Malaysia, Philippines, Singapore and Thailand as well as Indonesia.<sup>110</sup>

Such a flotilla could not win another battle of Midway or Jutland, but its presence alone would inhibit the bigger-ship bullying tactics repeatedly witnessed in the Spratly archipelago in recent times.

18.

Given its formal and structured security connection with Australia, which itself has the closest possible alliance with the United States, Indonesia needs no formal arrangement to signify its membership in the emerging anti-China coalition.

While its own military strength is and will remain unimpressive, Indonesia could exert pressure on China if it comes to that by limiting its commodity shipments to China now that Indian demand keeps rising - the precedent set when rare earth shipments to Japan were withheld is valid for all. If a crisis were to escalate further, Indonesia’s archipelago

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<sup>110</sup> Eric J. Cutright: (USN. PA) “ Indonesia Welcomes Task Group for Naval Engagement Activity” ( NNS100526-09) May 26 , 2010

astride China's shortest westward sea routes might also offer opportunities to apply pressure.

19.

There is no audible "who lost Indonesia" debate in Beijing but there should be.

Indonesia is not another Vietnam, whose national myth cannot be in good working order without an on-going confrontation with China. True, Indonesia is not South Korea either, and definitely not a candidate for profitable obedience in a gilded *Tianxia* cage. But as late as 1993 and indeed later it was still set to consolidate relations with China while remaining distant from the United States and its ally Australia. Now by contrast it has emerged as an important member of the anti-China coalition.

20.

As for the benefit to China of having pursued the policy that antagonized Indonesia, its advocates would no doubt argue in internal Politburo discussions that China's vast maritime claim –in effect most of the South China Sea –only has a fragile basis in debatable historiography, dubious cartography, and occupation of only a few places, so that it must therefore be asserted with maximum vigor. That in turn is best done by insisting on claiming the most distant zone off the Natuna islands, against the largest country among the rival claimants.

That would make sense within its own gamesmanship terms, that is within the artificially circumscribed context of a China that has no other international relationships but with its maritime rivals, and no other international priority but to maximize its maritime possessions or at least its claims. As it is, it is yet another manifestation of China's acquired strategic deficiency syndrome.

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## VII. THE PHILIPPINES : How to make enemies

1.

From a Chinese and strategic point of view, the Republic of the Philippines was little more than an extension of the United States until September 16, 1991, when the Philippine Senate amidst great displays of emotion voted 12 votes to 11 to reject a treaty that would have leased the Subic Bay Naval Station to the United States for another ten years.

Instead, the last US sailor departed on November 24, 1992, and by then US had already evacuated Clark Air Force base, which had been heavily damaged by a 1991 volcanic explosion.

2.

Under the 1947 Military Bases Agreement, written at a time when the Philippine government could not have disputed any American request, the US also operated a number of smaller installations, but “ Clark” and “Subic” were very much more than just another air base and another port among the others used by the United States in Europe and East Asia. In addition to ample provisions of housing, airfields, hangars, depots, and docks, -the two vast complexes also included a full range of maintenance facilities and repair workshops of industrial dimensions , including a full-scale shipyard a 600-foot dry dock.

From the US point of view, Clark and Subic supported the entire American military posture in the Western Pacific. From the Philippine point of view, they provided employment for many thousands, including highly skilled, well-paid craftsmen and administrators.

In addition, however, US personnel purchased personal services from local females on a correspondingly vast scale, and did so under unusual modalities exceptionally humiliating for Philippine at large , including no doubt the 12 Senators who voted to end it all. For everyone understood the scenes outside Clark and Subic as metaphors for the entire US-Philippine relationship of structural inequality and demeaning subordination.

3.

Although the 1991 vote did not repeal the 1952 U.S.-Philippines Mutual Defense Treaty (MDT), it did remove all American forces and thus changed fundamentally the strategic disposition of the country, potentially opening it up to Chinese influence as never before.

There were impediments to be sure, including a historic Chinese ethnic presence in the Philippines that has negative as well as positive aspects and strong links with Taiwan--though the Philippines preceded the US by four years in switching diplomatic recognition to the PRC on June 9, 1975.

4.

Overall, however, the Chinese were very well positioned to supplant the United States as the benevolent greater state on the scene, that could gradually evolve into a potentially protective power .

5.

Since then, however, Sino-Philippine relations have unfolded in the different ways that have become normal under the deadly workings of China's ASDS:

--- economic relations have grown and have become more diversified, with a merchandise trade balance weighted in favor of the Philippines because of its large commodity exports;

--- a sequence of bilateral agreements on economic and related matters have been successfully negotiated, without prejudicing Philippine-Taiwan relations in any substantive way;

and,

--- China's overbearing , even threatening conduct has driven the Philippines back into a protective relationship with the United States.

5.

There are multiply overlapping contending claims over large parts of the South China Sea as we have seen, but two very recent documents suffice to define the Sino-Philippine contention <sup>111</sup>:

One is a *Note Verbale* sent by the Philippine Mission to the United Nations to the Secretary-General on the United Nations on April 5, 2011 to reply very belatedly to two *Notes Verbales* sent by the PRC on the same day May 7, 2009.

Although neither was addressed to the Philippines, one being a reply to Vietnam and the other to Malaysia, because both *Notes Verbales* referred to "extended continental shelves" in the South China Sea and other

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<sup>111</sup> For both *Notes Verbales*, see :

[http://www.un.org/Depts/los/clcs\\_new/submissions\\_files/submission\\_vnm\\_37\\_2009.htm](http://www.un.org/Depts/los/clcs_new/submissions_files/submission_vnm_37_2009.htm)

“relevant waters as well as the seabed and subsoil thereof” as indicated on the usual 9-dash Chinese map<sup>112</sup>, the Philippine Mission was “constrained to respectfully express its views:

First, the Kalayan Island Group (KIG) [=The Spratly islands claimed and in part occupied by the Philippines] constitutes an integral part of the Philippines.

...

Second, the Philippines, under the Roman notion of *dominium maris* and the international law principle of “*la terre domine la mer*” ... necessarily exercises sovereignty and jurisdiction over the waters around or adjacent to each relevant geological feature in the KIG...

...

Third, since the adjacent waters of the relevant geological features are definite and subject to legal and technical measurement, the [Chinese] claim....reflected in the so-called 9-dash line map...would have no basis under international law, ...Sovereignty [belongs] to the... Philippines ...

8.

The Chinese replied on April 14, 2011--- within nine days of having received the Philippine note, amazing swiftness amidst the languor of the UN – and did so in the strongest possible terms:

China has indisputable sovereignty over the islands in the South China Sea and adjoining waters...[its].. related rights and jurisdiction are supported by abundant historical and legal evidence. ..The contents of the [Philippines’] Note Verbale ... are totally unacceptable to the Chinese Government.

The so-called Kalayaan Island Group (KIG) claimed by the Republic of Philippines is in fact part of China’s Nansha islands ...Since 1970s, the Republic of Philippines started to invade and

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<sup>112</sup> Li Jinming ,Li Dexia “The Dotted Line on the Chinese Map of the South China Sea: A Note” *Ocean Development & International Law*, 34:287–295, 2003

occupy some islands and reefs of China's Nansha islands ...[these] acts constitute infringement upon China's territorial sovereignty. Under the legal doctrine of "*ex injuria jus non oritur*" the Republic of the Philippines can in no way invoke such illegal occupation to support its territorial claims...

9.

Both letters ended in classic fashion as each Mission availed itself of the "opportunity to renew to the Secretary-General of the United Nations the assurance of its highest consideration. "

That was duly polite, and each side did spell its Latin aphorisms correctly, but nothing can alter the pre-1914 character of the exchange, from a time when *Notes Verbales* asserting incompatible territorial claims and denouncing intrusions, let alone invasions (...started to invade and occupy some islands and reefs of China's Nansha islands..) were the usual preliminary to war.

9.

No Sino-Philippine war is imminent, but there already is warlike conduct by way of sudden occupations and overnight constructions , and by maritime harassment.

10.

There are also immediate consequences. Most recently, on May 10, 2011 President Benigno Aquino III at an ASEAN meeting in Jakarta called on the other claimants to the Spratly islands, Brunei, Vietnam and Malaysia, "to take a united stand against the recent aggressive actions from China"<sup>113</sup>.

In this case, words followed action: President Aquino had earlier ordered the Coast Guard to provide security to oil exploration vessels, in the wake of a March 2, 2011 incident at Reed Bank near Palawan, in which two white-painted Chinese gunboats (No.71 and No.75) tried to drive away by harrassing maneuvers the Philippine Department of Energy vessel M/V Venture .<sup>114</sup>

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<sup>113</sup> by Joyce Pangco Pañares " Aquino pushes for united stand on South China Sea" Manila Standard Today, May 10, 2011.

<sup>114</sup> GMA News " Coast Guard to secure oil exploration in Kalayaan island group" April 19, 2011 - 10:52 : Recognizing the sensitivity of the disputed Kalayaan

11.

More action followed. On May 15, 2011 President Aquino with his cabinet flew aboard the USS *Carl Vinson* CVN 70 (by then redubbed the Bin Laden shark feeding vessel in the vernacular press) as it headed for Manila for a port call with USS *Shiloh*, USS *Bunker Hill* and USS *Gridley*. The Philippines Armed Force spokesman Commodore Jose Miguel Rodriquez referred to the arrival of the nuclear-powered aircraft carrier as exemplary of “the strong defense relations of the two countries...” (Referring to the U.S-Philippine Visiting Forces Agreement approved by the Philippine Senate in May 1999).

12.

Two days before this effective bit of aircraft-carrier diplomacy, there was more definitive action than a ship visit: on May 13, 2011 the Philippine Navy received a *Hamilton*-class “Weather High Endurance Cutter” from the US Coast Guard under a Foreign Military Sales credit; it will undoubtedly be deployed mostly off the disputed Spratly islands, ie. locally, the Kalayan islands.

The designation “cutter” hardly describes accurately a substantial warship of 3250 tons which will be by far the largest patrol ship in the Philippine Navy (as the BRP *Gregorio del Pilar* PF-15), with a crew of 167, exceptional endurance (14,000 miles unrefueled but in this case significant for long periods on station) modern armament (including the 20 mm [Phalanx](#)) and a helicopter hangar and deck. Certainly the *Gregorio derl Pilar* will be well suited for the bigger-ship gamesmanship that the Chinese have favored –it dwarfs the 1,500 ton Chinese patrol vessels that have operated in the Spratly archipelago. The transfer was described as “an expression of America’s commitment to help the Philippines protect its maritime domain.<sup>115</sup>”

12.

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Island Group, President ..Aquino on Tuesday instructed the Philippine Coast Guard (PCG) to provide the security needed for exploration activities in the area... the PCG [was designated] “in order not to be provocative. ...[with] the support of the..Philippine Navy .

<sup>115</sup> Pia Lee-Brago, Jaime Laude, Jose Katigbak

<http://www.philstar.com/Article.aspx?articleId=686194&publicationSubCategoryId=63>

It can definitely be said that Sino-Philippine relations have evolved very dynamically –there is nothing like a territorial claim pressed aggressively if the aim is to ruin amity.

13.

A mere seven months before President Aquino's strong statement on the need to confront China, and his highly meaningful descent on the *USS Carl Vinson*, the Chinese government had been very pleased indeed by the Philippine stance on the South China Sea dispute, in contrast to sinister American scheming<sup>116</sup>, as depicted in a more than semi-official publication:

The disturbed waters around China reflect how changes in the political landscape between China and the United States are laying the foundation for a future Asian power struggle..

"Strategically speaking, China has very limited influence on neighboring countries and keeps a low profile in diplomacy," said Shi Yinhong, a senior scholar of American studies at Beijing-based Renmin University. "But the US possesses long-term military advantages and sticks to its hegemonic ideals," Shi said.

In a regional security forum held in Vietnam last month, US Secretary of State Hillary Clinton claimed a US "national interest" in this region...

"But the US' desperate demonstration of its military strength [ Re. the visit of the *USS George Washington* task force to Vietnam] gives away its fear of weakness deep inside," Rear Admiral Yang Yi wrote in a commentary published in Tuesday's *Nanfang Daily*. Yang said the US is now provoking ASEAN nations in order to disrupt their relations with China ....

Clinton, urging a multilateral solution, claimed in Vietnam last month that the US was concerned that conflicting claims to the Nansha and Xisha Islands [Spratly and Paracels] were interfering with maritime commerce, hampering access to international waters..

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<sup>116</sup> Cheng Guangjin Beijing: "Washington's Intervention Bringing East Asia To A Boil" China Daily. Global Research, August 18, 2010



14.

It is at this point that the praiseworthy Philippine intervention occurred:

But the situation was further complicated last week when the Philippines, a close ally of the US, said Southeast Asian nations did not need US help in solving territorial disputes with China over the South China Sea.

"It's ASEAN and China. Can I make myself clear? It's ASEAN and China. Is that clear enough?" said the Philippines Foreign Secretary Alberto Romulo, who was ASEAN chairman in 2007. Su said the Philippines doesn't want US intervention to further complicate the South China Sea issue.

15.

The Chinese were so well pleased by Romulo's outburst that it was also cited in the aforementioned August 13, 2010 programmatic article by Kao Wei-min in the *Ta Kung Pao* ("The United States and Vietnam Must Not Behave Unscrupulously in the South China Sea"<sup>117</sup>). Referring to the same Clinton speech in Hanoi it noted:

On the same day, Philippine media revealed the attitude expressed the previous day by Foreign Minister Romulo that "the South China Sea negotiations do not need American intervention."  
*these [ASEAN] countries are also clear that the United States cannot help them except in the military and security aspects, while..economically [they] depend more and more on China...*The attitude expressed by the Philippine foreign minister is based on this consideration, and is also aimed at making clear to the international community that the Philippines is not a US pawn.  
[Italics added]

16.

The Philippine Republic is still not a US pawn but its government no longer pleases the Chinese so well. Nor can the Chinese complain overmuch of American incitement because declared US policy has been impeccably conciliatory. Only two months before the May 2011 US naval visitation, the US Ambassador to the Philippines Harry Thomas Jr. was

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<sup>117</sup> BBC Worldwide Monitoring- Asia Pacific - Political August 13, 2010 Friday

quoted quoting Secretary of State Hillary Clinton enjoining moderation on her Philippine counterpart: <sup>118</sup>

"When Secretary Clinton spoke to DFA Secretary Del Rosario on Sunday, they spoke about the need for all claimants to resolve these issues at the negotiating table peacefully. We take no sides in this. We think all claimant states should sit down together, iron out their claims, and then work with China via ASEAN for a Code of Conduct for the South China Sea in the Spratly Islands..,

...

The most important thing for all countries is to realize that over \$5 trillion in international commerce goes through the South China Sea. And that's why we support freedom of navigation. But all this should be done peacefully, at the negotiating table. And that is so, so important," he said.

Thomas said he has also discussed these matters with the Chinese Ambassador to the Philippines, Liu Jianchao, saying "we talk about these things.."

17.

To be sure the US was primarily advising the Philippine government to settle the intra-ASEAN disputes, then reiterating the need for a united ASEAN front, and only then encouraging the latter to "work with China" for a Code of Conduct, everyone's default position for now.

As noted, by the end of 2010 the Chinese Foreign Ministry agreed after long resistance to negotiate with an ASEAN-wide delegation, and to do so on a US-suggested "Code of Conduct" to boot.

18.

But a second Chinese player was ready to rekindle the dispute with the Philippines by harassing the oil exploration ship in March 2011, and a few weeks later a third Chinese player seemingly intervened as well. It was reported on May 20, 2011 that two Philippine Air Force OV-10 Broncos [top speed 288 mph) on a reconnaissance patrol over the Reed Bank basin of the Kalayaan [Spratly] Islands were approached and "buzzed" by two

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<sup>118</sup> GMA March 15, 2011 "US advises PHL: Settle Spratlys row with China peacefully"

Chinese MIG-29 Fulcrums (top speed 1490 mph)<sup>119</sup>. Gen. Eduardo Oban Jr. Chief of Staff of the Philippine armed forces AFP declared “the incident would not deter the AFP from enforcing its mandate to .. protect the nation’s territorial integrity as well as its maritime resources”.

19.

As it happens, the arrival in Manila bay of the USS *Carl Vinson* and its Strike Carrier Group I was imminent at the time of the incident. Col. Arnulfo Marcelo Burgos Jr., of the AFP Public Information Office helpfully explained that : “The mutual support and assistance both countries provide to each other contributes largely to strengthening our capabilities as military institutions.”

20.

In a manner utterly incoherent , damagingly contradictory, yet by now almost customary, the visitation of the Chinese *MiG-29s* preceded by three days the arrival of a Chinese delegation at the highest government level below the presidency, headed by the Minister of National Defense Gen Liang Guanglie and State Councilor Dain Bingguo, for an extended (May 21-25), full-dress “goodwill” visit.

The Chinese embassy announcement explained that the visit : ..is expected to further advance China-Philippines friendly relations, specifically military exchanges and pragmatic cooperation, thus enriching and enhancing the strategic cooperation between our two countries.”

21.

The US stance over the South China Sea disputes is not unobvious, but it seems that no competition in subtlety is underway.

On June 23, 2011 Albert del Rosario Foreign Secretary of the Philippines asked the US Secretary of State Hilary Clinton to clarify US policy on the China-Philippine confrontation in the South China Sea under the 1951 Mutual Defense Treaty. He also asked for surplus US warships to upgrade the capacity of the Philippine navy to “defend maritime

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<sup>119</sup> Jaime Laude (Chinese jets buzz PAF patrol planes The Philippine Star)  
Updated May 20, 2011 12:00 AM  
<http://www.philstar.com/Article.aspx?articleId=687844&publicationSubCategoryId=63>

borders". Secretary Clinton reassured del Rosario on both points.<sup>120</sup>  
Once again, Chinese conduct has driven a possible partner into the arms  
of the United States

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<sup>120</sup> <http://www.state.gov/secretary/rm/2011/06/166868.htm>

### VIII. Norway: Norway ? Norway !

1.

Although Norway notoriously holds vast maritime possessions it faces no Chinese claims as yet. On the other hand, its Nobel Committee did give the 2010 Peace Prize to Liu Xiaobo, a Chinese citizen convicted and imprisoned by due process of law for advocating human rights-- a criminal that is. The Chinese could have retaliated symmetrically by awarding the newly instituted Confucius Prize to a Norwegian criminal, but instead it was reportedly left to Chinese food-safety inspectors to respond by holding up Norwegian salmon imports long enough to spoil the fish. The "quality controls" on Norwegian fresh salmon were introduced a few days after the December 10, 2010 prize ceremony, after "traces of drugs" and/or bacteria were found in 13 shipments of salmon.<sup>121</sup> "We cannot get fish in there at all," was the reported comment of Henning Beltestad, CEO of Norway's Leroey Seafood Group, (an overstatement: salmon exports to China in 2011 were running at 30% of the 2010 level), while a stalwart Viking, Lars Berge Andersen, "a lawyer who assists Norwegian companies in China" added: "I am very worried about the long-term effect for Norwegian businesses in China". The interim beneficiary is Scotland, now allowed to export fresh salmon to China for the first time; Jamie Smith, spokesman for the Scottish Salmon Producers' Organization, said that Chinese health inspectors had not interfered.

2..

Long before the Nobel announcement, after dismissing Norwegian claims that the prize committee is independent, the Chinese foreign ministry had duly warned that there would be retaliation if the prize were given to the convicted criminal. Yet six months later the Norwegians were very surprised by Chinese severity : the interruption of political contacts, the

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<sup>121</sup> AP. Bjoern H. Amland "Norway feels sting of China's Nobel anger" May 6, 2011 [http://www.forbes.com/feeds/ap/2011/05/06/general-industrials-eu-norway-china-nobel-backlash\\_8453124.html](http://www.forbes.com/feeds/ap/2011/05/06/general-industrials-eu-norway-china-nobel-backlash_8453124.html)

freezing of “very promising” trade negotiations, and the unfreezing of Norwegian salmon held up in Chinese customs’ sheds ---while Chinese companies by contrast were “ increasingly active” in Norway, without impediments to be sure. In December 2010, as the Liu Xiaobo scandal was erupting, China Oilfield Services announced a contract with Norway's Statoil for drilling in the North Sea; in January 2011, China National Blue Star purchased the Norwegian Elkem mining company for US\$2 billion; on the other hand, the Norwegian company Orkla joined Aluminium Corp. of China Ltd. to serve Chinese high-speed railway projects (but the signature was affixed by Orkla's Swedish subsidiary, Sapa, in the presence of the Swedish ambassador "There is no need to be provocative," explained Orkla spokesman Johan Christian Hovland).

3.

In Oslo a Chinese Embassy spokesman helpfully explained that Sino-Norwegian relations are "in difficulty" because the peace prize was given to "a Chinese criminal .." He made it clear that it was Norway’s duty to repair relations with China, though he failed to add how that might be done, although one Norwegian executive, Henrik Madsen, did suggest a remedy for the future: broadening the Nobel committee to include non-Norwegians to weaken its link to Norway –something best ensured by including CCP members no doubt.

4.

This entirely trivial episode holds a serious lesson: no doubt for non-trivial political reasons, the Chinese government cannot at present successfully manage its international problems, not even minor ones such as the award of an unofficial prize to a Chinese dissident.

5.

In the case at hand, in addition to antagonizing a few Norwegians and a somewhat greater number of disinterested souls around the world, and in addition to enhancing enormously the resonance of Liu Xiabo’s name globally and within China as well, the Chinese government incurred further diplomatic costs to try to persuade countries with resident representation in Oslo to withhold their ambassadors from the award ceremony. It succeeded with the usual suspects , authoritarian or venal, or both: Russia, Kazakhstan, Tunisia, Saudi Arabia, Pakistan, Iraq, Iran,

Vietnam, Afghanistan, Venezuela, Egypt, Sudan, Cuba and Morocco. (Perhaps the US Government should have exerted counter-pressure on the aid recipients among them). On the other hand, in spite of strenuous and insistent attempts which evoked ridicule and contempt, Chinese diplomacy failed with forty-six other countries.

6.

Aside from its particular, almost comical, aspects this episode is not atypical of China's recent international conduct in being both highly energetic and definitely counter-productive.

## &gt;IX THE THREE US CHINA POLICIES : Necessary but not Sufficient

1.

It is customary to criticize the Administration in office for “not having a strategy” and for not having a policy on this or that. But this accusation certainly cannot be advanced in regard to China policy, because there is not merely one of them, but three --two of which are moving in diametrically opposed directions.

Yet , as we shall see, the remedy cannot be to reduce three to just one, but rather to add a fourth policy, a geo-economic policy, which alone can offer the possibility of preserving a long-term power equilibrium with China.

Policy No. 1 : The vigorous promotion of *China's* economic growth.

2.

The most familiar US China policy is that of the US Treasury both for itself as the keeper of American public finance, and as the institutional advocate in the councils of the US government for private finance, or at least for the major “Wall Street” firms that operate internationally.

This policy, which has been faithfully executed and indeed strongly reaffirmed by the current Secretary Timothy Franz Geithner focuses entirely on the benefits to US public finance of cheap capital from China's huge foreign-currency reserve, and to US consumers and businesses alike of having unconstrained access to the cheapest possible imports of manufactured goods as well as raw materials, because in effect they increase the US standard of living without (inflationary) income increases, and reduce input costs to businesses.

3.

From that point of view, the chronic, very large Chinese merchandise trade surpluses with the US --overwhelmingly because of manufactured goods--are not a problem but merely register the magnitude of the benefits received.

4.

The US Treasury is naturally highly cognizant of the benefits to US public finance, and to private financial entities also, of having access to cheap



Chinese capital –capital originally generated by China’s chronic and very large trade surpluses, a function of the very high (50%+/-) average Chinese savings’ rate, and which is used by the Chinese authorities to acquire US Treasury bonds, bills, and notes as well as other dollar instruments, specifically in order to increase the relative value of the US dollar against the RMB, and thus help perpetuate Chinese trade surpluses. Thus Chinese industrial policy is the mechanism that makes cheap capital available to US public and private finance. For this reason, China is the beneficiary of the US Treasury’s especial solicitude, as a recent revelation documented in full (see Endnote : the US Treasury and China).

5.

One more factor might be termed sociological : because the highest echelon of the US Treasury is staffed almost entirely by former or future employees of the leading financial firms, there is a natural sensitivity to the importance of Chinese enterprises as clients for US financial entities.

6.

By contrast, the US Treasury has no expertise in , no organizational responsibility for, nor indeed any intellectual interest in the condition of the US manufacturing sector. Far from having an industrial policy to promote manufacturing in general or specific sectors thereof, in its everyday bureaucratic operations the US Treasury is indifferent to the condition of US industry, and specifically to the sharp decline, or outright disappearance, of entire industrial sub-sectors because of the unconstrained inflow of cheaper imports, notably including imports from China.

Only the US International Trade Commission, very small, very weak organization politically and institutionally, has any sort of jurisdiction in that regard, and it too is strictly limited to “dumping” cases – in which moreover it applies stringent standards to determine if serious damage was caused, with no mandate to prevent it instead.

Nor is the ITC empowered to protect US industry from the chronic undervaluation of the Chinese RMB; though it results from the systematic

purchase of US dollar instruments, it is not defined as “dumping” even though it affects all product categories instead of just one

7.

On the other hand, the US Treasury which does have jurisdiction over the currency, and thus currency manipulation as well, only reacts at all and then too only verbally, under lively pressure from the US Congress at the behest of industrial or trade union interests<sup>122</sup>.

Secretary Geithner has followed his predecessors in periodically asking his Chinese counterparts to let the RMB rise wqhen the volume of complaints mounts-- but he does so with evident reluctance, and with no suggestion that any sanctions would follow if the under-valuation persists. Accordingly, the Chinese feel free to ignores these occasional requests, though in the past they have sometimes allowed at least temporary and small increases in the relative value of the RMB in response to particularly intense US Congressional complaints, and/or to contain domestic inflation, as is the case at present.

8.

On such occasions, the US Treasury makes much of the small rise in the RMB, abundantly praises the Chinese for their flexibility, and cites it as evidence of the forthcoming end of systematic under-valuation.

Characteristically, on May 10, 2011, after the annual US.-China Strategic and Economic Dialogue meetings, Secretary Geithner told reporters:

"We are seeing very promising shifts in China's economic policy." He then said that the United States still hopes that China will move more quickly to allow its currency to rise in value against the dollar and will also allow it to appreciate against the currencies of its other major trading partners.

The same report quoted the Chinese as also promising “ to end discrimination against foreign firms looking to secure lucrative government contracts and to open the mutual fund and car insurance

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<sup>122</sup> The latter cannot intervene directly with the US Treasury because they are not its clients bureaucratically speaking, and they are sociologically alien as well: they can offer no fit employment for former Treasury officials, and the latter were not recruited from the manufacturing sector, let alone trade unions.

sectors to U.S. firms”<sup>123</sup> . The same was said in other venues in 2010, 2009, 2008...

9.

As it happens, at the very same time the US International Trade Commission published the results of its Investigation entitled “China: Effects of Intellectual Property Infringement and Indigenous Innovation Policies on the U.S. Economy”.<sup>124</sup> Its overall estimate was that the losses to US firms' amounted to approximately \$48 billion in the year 2009 alone, not counting legal and other expenditures of \$4.8 billion to contain losses of intellectual property in China. It was also estimated that approximately 923,000 US jobs were lost .

Secretary Geithner did not address this report or the subject thereof during the China-US dialogue or afterwards. Nor did any other component of the US government propose to undertake any retaliatory action, or even ask for compensation. Instead, promises to do better in the future were solicited from the Chinese, and duly obtained of course.

10.

Given the narrowly financial focus of the US Treasury, the very limited jurisdiction of the ITC and its lack of retaliatory powers, the nullity of the US Department of Commerce, and the absence of any department of industry in the US government (a reflection of Free Trade ideology), there is no possibility of any serious government intervention to stop or at least contain the extensive de-industrialization caused by large and chronic trade deficits in manufactured goods.

11.

Nor is any part of the US government charged with safeguarding US technology from diffusion to China or anywhere else -unless it is specifically military or at least dual-use” technology.

That is so even though it is universally recognized that the overall competitiveness of the US economy derives in large degree for its technological edge, and even though much of the technology now productively employed in the private sector was originally developed by the US Government directly , or with its funding.

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<sup>123</sup> *Reuters*; by Paul Eckert, Washington .May 11, 2011 6:45pm EDT

<sup>124</sup> No. 332-519 US. ITC Publication 4226, May 2011

12.

Remarkably, this failure to control technological diffusion even extends to the US aerospace sector, in spite of its obvious importance both militarily and economically, and which has a number of peculiar characteristics:

---in many of its sub-sectors, civil/ military distinctions and know-how barriers are weak or non-existent ;

---it accounts for a good part of remaining US manufacturing exports; and

-- it is a sector in which mutual desistance from technology transfers to China could easily be negotiated, because in each specialty there is usually only one European and/or Japanese supplier, and both European and Japanese firms are inherently more reluctant to share their technology with the Chinese than their US counterparts.

Nevertheless, there is no US policy to limit the diffusion of non-military aerospace technology, or even to monitor the process, as with the soft-drink industry.

13.

In the absence of any US government action, critical US aerospace technologies are now being transferred to China via joint-ventures with the state-owned COMAC (Commercial Aircraft Corporation of China Ltd., (中国商用飞机有限责任公司) or other subsidiaries or affiliates or associated companies of China's civil/ military AVIC ( Aviation Industry Corporation of China (中国航空工业集团公司) which manufactures jet fighters, bombers, missiles and other military equipment as well as civilian aircraft.

14.

These joint ventures –evidently the preferred mechanism for the Chinese side , for less than evident reasons as well <sup>125</sup>---serve broader purposes, indeed the general advancement of China's industries as a whole, but more immediately they are absolutely essential for two current aircraft development programs: the 70-100 seat ARJ21 “regional” passenger jet,

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<sup>125</sup> See below re. collateral penetration and recruitment.

an unpromising entry in a crowded market--and the much higher priority 150-200 seat C919 airliner , intended to compete directly with the omnipresent Boeing 737 and Airbus 320 series. A partial list of current joint ventures includes: <sup>126</sup>

- > Flight controls , Parker-Hannifin + AVIC , Xian 西安; Shaanxi province
- > Jet engines and blades, Pratt & Whitney +AVIC in Xian
- > S-92 helicopter tail/stabilizer, Sikorsky + Changhe Aircraft Industries Corporation , helicopter producer for People's Liberation Army, Jingdezhen (景德镇), Jiangxi province)
- >Communications, navigation equip. Rockwell-Collins + China Electronics Technology Avionics , Chengdu 成都 Sichuan province.
- > Jet engine components, Pratt & Whitney +Chendgu Engine Group in Chengdu.
- >Hydraulic and fuel systems for the C 919, Parker-Hannifin +AVIC, Nanjing 南京; Jiangsu province.
- >Environmerntal control systems, Honeywell + China Research Institute of Aero accessories , Nanjing.
- > Turbopropo components, Pratt & Whtney( Canada) + China National South Aero-Engine , Zhuzhou 株洲, Hunan Province.,
- >Avionics for C919, GE Avionics + AVIC, Shanghai 上海 .
- > Fuel, hydraulics for C919, Eaton +Shanghai manufacturing, Shanghai.
- > Weather radar for C919, Rockwell Collins with AVIC , Wuxi : 无锡 Jiangsu province.
- > Auxiliary power units , Honeywell + AVIC Nanjing
- > Electrical systems for the C919, Hamilton Sunstrand + AVIC , Nanjing
- > Fly-by-wire controls , Honeywell + AVIC , Xian
- > Landing gear and nacelles, Goodrich + Xian aircraft , Xian
- > Engine nacelles , Nexcelle + Avic - under negotiation.
- > Aluminnum structures, Alcoa + COMAC , under negotiation.
- Composite structures, Boeing + Avic , Tianjin 天津.

15.

There is not much US aerospace technology -- civil or military -- that is not in the possession of the companies that have entered or are entering in

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<sup>126</sup> Michael Mecham and Joseph C. Anselmo Aviation "Learnaholics" : China has the size, money and interest to enmgage and challenge Western companies" Aviation Week & Space Technology " April 25, pp.43 -67

joint ventures with AVIC or its affiliates -- whose declared intent is to compete with Boeing as well as Airbus for market share, and which also designs , develops (or copies) tactical aircraft and bombers for the PLA air force and navy.

16.

The Chinese, moreover , can certainly expect to obtain access to more technology --much more perhaps--than is contractually to be provided by the joint ventures. One reason is that joint ventures inherently offer many opportunities for cyber penetrations, or more physical forms of technological theft.<sup>127</sup> Another reason is the joint ventures facilitate the the recruitment of agents in place , with US citizens of Chinese origins almost routinely targeted.<sup>128</sup>

17.

To be sure, technological leakage from aerospace joint ventures is merely a subset of the broader diffusion of US technology to China, most of it not misappropriated of course but rather contractually transferred by the leading US corporations.

It is not the proclivity of their managers and still less their responsibility to calculate the long-term effect of all technological transfers to China on the overall condition of the US economy. Next-quarter impacts on their own firms is as far as they try to calculate, and there matters rest, given the absence of any broad US industrial policy in that regard.

18.

The great flow of technology transfers to China is in turn merely a subset of the unbalanced US-China economic relationship as a whole, which is beneficial for Americans as consumers, borrowers and financiers above all, while being harmful to Americans as workers and producers, but which is evidently so entirely beneficial to the Chinese that it shapes the entire "American policy" of the CCP, with the overriding aim of

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<sup>127</sup> Security precautions are of course standard in corporate aerospace activities, with additional precautions likely in Chinese JVs. But cost-conscious commercial entities that value conviviality are unlikely to rigidly resist normal processes of habituation, and the consequent relaxation of vigilance.

<sup>128</sup> US aerospace companies frequently rely on US citizens of ethnic Chinese origin for assignments in China. Especially if they have local relatives, they are more vulnerable to blackmail, or merely family pressures.

perpetuating that unbalanced economic relationship <sup>129</sup> for as long as possible, or rather until China emerges as the richer and more advanced country .

19.

For that high purpose, to sit through tiresome “strategic and economic dialogues”, and even to listen almost politely to futile lectures on human rights or democracy for that matter, is a small price to pay; and for that purpose all else must wait for a more propitious moment, whether it is the forcible annexation of Taiwan or the seizure of the vast ocean areas that China is now claiming in all directions. *Taoguang yanghui* 韬光养晦 , to “hide one's capacities and bide one's time” is a much simpler formulation than Peaceful Rise or Peaceful Development, but serves just as well.

20.

Of that the best evidence is the China policy of the US Treasury, which seeks to perpetuate exactly the same unbalanced economic relationship, in spite of the de-industrialization caused by the chronic trade deficit in manufactured goods.

Objectively if not subjectively, the US Treasury under its current leadership as before, actively favors China's economic growth and technological advancement---having no departmental responsibility, or perceptible concern, for the inevitable relationship between China's overall economic and technological capacity and the resulting military aggrandizement. That is simply not part of the Treasury brief, and there has been no Presidential intervention to make it so.

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Policy No. 2 : The US State Department confronts China

21.

This second China policy, nowadays vigorously promoted by the Secretary of State, with varying degrees of support from her top officials, certainly values cooperation with China when available, but recognizes that China is more often an opponent of the United States, both multilaterally at the UN Security and other venues, and bilaterally in its

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<sup>129</sup> Whose continuation year after year, decade after decade, has been viewed with joyous incredulity as China was relatively enriched much more than the United States. Leninists would not have been surprised.

dealings with the US itself, its allies, and third parties of US interests including rogue regimes, both in regard to concrete American interests and also values.

22.

In that regard, matters have deteriorated of late, both because of an unexpected recrudescence of repression within China itself, and also because of increased Chinese activism in promoting anti-democratic practices abroad.

One very recent example is the Chinese co-sponsorship of a “media university” with the Pakistan government, whose mission is described by Minister for Information and Broadcasting Dr Firdous Ashiq Awan as:

national-interest oriented media training, to change people’s perception about Pakistan, and to prepare press attaches sent to other countries to respond to western media propaganda. State interest should be protected at every cost but sometimes, media organizations go beyond limits and cause irreparable loss to the state interest <sup>130</sup>.

23.

Another example, which also illustrates the willing of the Chinese government to cooperate with rogue regimes, is even more egregious, because it would specifically serve to increase the repressive capacity of a violently repressive regime: the Chinese financing of a “Robert Mugabe School of Intelligence” in Zimbabwe ---the one form of educational investment unneeded in a once flourishing country now despoiled by the very same Robert Mugabe and his minions. The mission of the new school is officially described as “addressing the current global challenges”; unsurprisingly, only “invited candidates” will be enrolled. The curriculum provides for the disciplines of : Cryptology, Linguists, Signals Intelligence Analysts, Human Intelligence Collectors, Military Intelligence (MI) Systems Maintainers and Integrators, Counterintelligence Agents, Imagery Analysts, Common Ground Station

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<sup>130</sup> Pakistan Observer, 18 May 2011;  
<http://pakobserver.net/detailnews.asp?id=92987>



(CGS) Analysts, Intelligence Analysts, Signals Collector... to be trained, by Chinese instructors.<sup>131</sup>

24.

Unlike the US Treasury , whose policies are premised on a product-improved China, which should never be penalized because it is perpetually on the verge of allowing the market to value the RMB freely, and to finally enforce its own intellectual property laws, the State Department accepts the continuing reality that make China different from other non-Allies such as India for example, and similar to the Russian Federation and also Venezuela for example, to wit:

**China only cooperates with the US when its interests demand such cooperation, while it habitually opposes the United States whenever its interests allow such opposition .** Opposition is the default mode, cooperation is the advertised mode. By contrast, India for example, often opposes the US but it does so each time for some positive reason of its own good or bad, not merely because it can do so.

25.

This in turn, in the current State Department view, warrants energetic opposition to China whenever it engages in expansionist conduct (the need to resist the expansion of China's power as such, as discussed below, is not yet recognized even as a policy concept, let alone accepted policy).

26.

Accordingly, the US State Department has reacted very energetically to China's expansionist pressures against Vietnam over the Paracel and Spratly islands, against Laos, Thailand, Cambodia by dam-construction on the Mekong river, against Brunei, Malaysia and the Philippines also over the Spratly islands, and against Japan through the Chinese claim for the Senkaku islands( 尖閣諸島) that appear as Diaoyu or Diaoyutai Islands (钓鱼岛及其附属岛屿) on Chinese maps. ;

27.

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<sup>131</sup> Staff report: The Zimbabwean "Chinese to pay for spy centre" 15 May 2011

Likewise, while Secretary Geithner of the US Treasury , once a student in China and former China specialist at the profitable firm of Kissinger Associates Inc. has been earnestly convivial at his frequent meetings with Chinese officials <sup>132</sup>, US Secretary of State Hilary Clinton has openly and repeatedly clashed at ASEAN meetings with China's Minister of Foreign Affairs Yang Jiechi 杨洁篪, (though he is scarcely her counterpart inasmuch as the Ministry only implements and does not formulate policy).

28.

Among other things, in little more than a year since the start of 2010, Secretary Clinton has:

----- publicly insisted that the Spratly islands dispute must be managed multi-laterally between China and all the affected ASEAN members, and not bilaterally , between big China and each "little country" --in Yang Jiechi's words. After flatly refusing the US demand at two ASEAN meetings, after failing to intimidate Vietnam or to persuade the others, the Chinese as noted above, finally agreed to multi-lateral talks on a "Code of Conduct" in December 2010.

-----declared that the Senkaku islands are fully included in the 1960 US Japan Treaty of Mutual Cooperation and Security, thus rejecting the Chinese claim in actuality, even though in general principle it is not US policy to affirm or deny the territorial claims of other countries.

-----initiated in 2009 the US funded "Lower Mekong Initiative" with Vietnam, Cambodia, Laos, and Thailand; the qualifier "lower" neatly excludes China and its quasi-ally Myanmar's rogue regime <sup>133</sup>. It is all about water and fish but interestingly the protagonists are the respective foreign ministers not the ministers of agriculture and fishery. And while

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<sup>132</sup> He even joined Wang Qishan ( 王岐山) Vice-Premier in charge of economic, energy and financial affairs in a prolonged TV discussion in conjunction with the 2011 "strategic and economic dialogue". Wang Qishan was tactless but Geithner was fawning. **It would be distressing if after he leaves public life, Secretary Geithner were to serve Chinese clients.**

<sup>133</sup> The outcome of a July 23, 2009 meeting between Sec. Clinton and the FMs of LMI members: <http://www.state.gov/p/eap/mekong/index.htm>

the agenda includes everything under the sun-- - climate change, infectious disease, education, river- management ad more --there is also the minor aim that in reality matters the most: to coordinate responses to the construction of dams – particularly, but not exclusively (a nice touch) those being built in China.

-----vigorously pursued every possible opportunity to expand cooperation with India that has any degree of strategic significance , striving hard to overcome all manner of bureaucratic , institutional and cultural obstacles on both sides, and trying to make the most of the new opportunities made possible by the US-India “123 Agreement”<sup>134</sup> for Civil Nuclear Cooperation.

29.

The 123 Agreement was merely a necessary preliminary for the US-India nuclear accord-- a colossal undertaking in every respect, politically, bureaucratically and internationally.

-----against very intense internal opposition (anti-proliferators on the US side, autarchy advocates on the Indian side), after strenuous negotiations, on July 18, 2005 India’s PM Manmohan Singh and U.S. President George W. Bush, agreed on a “framework” whereby India undertook to physically separate its civil and military nuclear facilities and place the former under International Atomic Energy Agency (IAEA) safeguards.

-----the Bush Administration or its part had to induce the US Congress to amend the Atomic Energy Act of 1954;

-----India next had to negotiate an inspection agreement with the IAEA, delicate matter given the concurrence of non-inspected military activities;

-----the US then had to secure a unique exemption for India by the multinational Nuclear Suppliers Group (NSG) export-control cartel –not at all easy, given that the NSG had been formed in the first place at US initiative as a response to India's first nuclear test in 1974.

30.

A mere three years and three months from the original Bush-Singh agreement, on October 1, 2008, the US Congress voted its approval of the

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<sup>134</sup> Section 123 of the [US Atomic Energy Act of 1954](#), establishes an agreement for cooperation as a prerequisite for nuclear transactions between the US and any other country.

US-India nuclear cooperation agreement, and on February 2, 2009, the India-IAEA agreement was also finally completed, allowing the newly installed Obama Administration to start its own efforts to realize the broader strategic potential opened up, in addition to nuclear cooperation as such.

31.

The removal of restrictions on US arms transactions with India, legally mandated in retaliation by the original 1974 nuclear test, was of course very important but did not remove what remains the greatest obstacle to US arms sales: the profound incompatibility between the methods, procedures, customs and ambitions of the Indian state-owned but bureaucratically colonized aerospace and defense industry (itself controlled with an extreme degree of centralization by long-serving authoritarian managers and brahminic chief scientists of stupendous arrogance), and ponderous US aerospace and defense corporations, with their straight-laced managers, rigid technologists and quick-buck salesmen. No two human groups have been more deeply divided by a common language, with the US and Indian defense bureaucracies a close competitor.

32.

That is why even now the Indian armed forces, which have accumulated decades of anguished dissatisfaction with the infinite delays of India's state-owned industries<sup>135</sup>, as many decades of impotent fury at the obdurate refusal of Soviet and now Russian aviation and military industries to supply replacement parts in timely fashion or even a year after that, and almost as many decades of resentment over the very high costs of actually operating beautiful French fighters, have been unable to equip themselves with the US aircraft and weapons they know and crave, except in a few cases after agonizingly difficult negotiations.

The institutional barriers are formidably resistant. While there have been some important transactions, no principal or critical weapon system in Indian service is of American origin as yet, as opposed to a mass of

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<sup>135</sup> 28 years from program initiation for the urgently needed *Tejas* light fighter; it now flies but only because of its imported ("interim") sub-systems.

Soviet/Russian platforms, some European-designed aircraft, and Israeli avionics and missiles.

33.

But that is not how the US-India arms supply relationship is seen – or at least depicted – in Beijing. This is the version of the steadfastly “leftist” (=national-militarist) *Global Times*:<sup>136</sup>

US President Barack Obama's visit to New Delhi in November [2010] may secure \$5 billion worth of arms sales... [This] .. would make the US replace Russia as India's biggest arms supplier.. [and ] help India curb China's rise. India's shortlist includes *Patriot* defense systems, Boeing mid-air refueling tankers and certain types of howitzers, and the total cost ... may exceed \$10 billion [a 100% increase in one paragraph] .. talks are underway between Indian and US officials over .. 10 Boeing C-17 military transports. Wang Mingzhi, a military strategist at the PLA Air Force Command College, [said that] .. Those arms sales will improve ties between Washington and New Delhi, and, intentionally or not, will have the effect of containing China's influence in the region..."For example, once India gets the C-17 transport aircraft, the mobility of its forces stationed along the border with China will be improved.

34.

Given that the diplomatic action of the US State Department –whatever its subjective aims – objectively connects its own “string of pearls” from Japan to India via the Philippines, Indonesia, Vietnam and Singapore, in a manner that could easily interdict that other reputed “string of pearls” from the harbors of southern China to Port Sudan,<sup>137</sup> , it is easy to understand Chinese complaints that US State Department policy is

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<sup>136</sup> Global Times Global Research, July 13, 2010.

<sup>137</sup> From Hong Kong ,Strait of Malacca, Strait of Lombok, Strait of Hormuz, Strait of Mandab, to Port Sudan , alongside Pakistan, Sri Lanka, Bangladesh, Maldives and Somalia. Christopher J. Pehrson “String of Pearls: meeting the challenge of China’s rising Power across the Asian littoral” July 2006. <http://www.strategicstudiesinstitute.army.mil/pdf/PUB721.pdf>

basically unfriendly, that it seeks to “encircle” China, potentially threatening .

35.

That is of course an impossibility, because the US does not have much influence over China’s inland neighbors: the Russian Federation, Mongolia, Kazakhstan , Kirgizstan, Tajikistan and Uzbekistan which are replete with raw material resources actually or potentially available, and which via Turkmenistan can in addition provide access to China’s quasi-ally Iran, and thus to the entire Persian Gulf with its uniquely large hydrocarbon resources.

36.

What is true is that the US State Department certainly tries to reinforce the abilities and also the resolve of the countries that have recently been threatened by China, not only verbally but also by way of harassing maneuvers and intrusive patrols, including Japan, the Philippines, Laos, and Vietnam; while India does not ask for US military reassurance or diplomatic support, it too has come under Chinese pressure because of the development of military infrastructures in Tibet, the qualitative enhancement of its garrisons, and a fair amount of aggressive patrolling of the Indian-held border of Arunachal Pradesh, which the Chinese claim as “South Tibet” Zàngnán,, 藏南 .

37.

Moreover, while the US Treasury refrains from criticizing China except in the mildest and most inoffensive terms, and only when its misconduct is most blatant (as in procurement protectionism) , under Secretary Clinton especially the US State Department has been forthcoming in criticizing Chinese practices that offend American values.

For example, at the very time when Treasury Secretary Geithner was even more effusive than usual, and she was set to meet her Chinese counterparts for the aforementioned US-China strategic and economic dialogue of 2011, Clinton stated in an interview :<sup>138</sup>

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<sup>138</sup> Jeffrey Goldberg, : “ Hillary Clinton: Chinese System Is Doomed, Leaders on a Fool's Errand “ May 10,2011 <http://www.theatlantic.com/jeffrey-goldberg/>

We do business with a lot of countries whose economic systems or political systems are not ones we would design...

But we don't walk away from dealing with China because we think they have a deplorable human rights record.

Interviewer Jeffrey Goldberg: And (the Chinese) are acting very scared right now, in fact.

Clinton: Well, they are. They're worried, and they are trying to stop history, which is a fool's errand. They cannot do it. But they're going to hold it off as long as possible.

38.

The US State Department policy for China therefore combines three diverse lines of conduct in a manner that reconciles a broad range of US interests:

---cooperation, of which there is a great deal between US and Chinese governmental organizations for a great variety of purposes, from the harmonization of obscure technical regulations to multilateral counter-proliferation initiatives (some in the State Department would prefer to emphasize the cooperative aspect almost exclusively) ;

---containment, achieved by the prompt and persuasive reassurance of China's neighbors - whether they are treaty allies or not -- when they come under pressure, to enable them to withstand Chinese demands;

-- mostly polite but insistent ideological warfare against the CCP regime, by the frequent invocation of human rights, of political rights on occasion, and of the cultural-religious if not national rights of the Tibetans, and in some degree of the Uyghurs also; and by intermittent demands for the liberation of high-profile imprisoned dissidents.

39.

It is a measure of the remaining US advantage in the overall balance of power as most broadly defined that the US State Department and indeed the US Government can still pursue all three policies concurrently.

If China were in a stronger position -as indeed it already is in many other bilateral relationships, not only with mendicants but also with South Korea for example - the US would be forced to choose between

cooperation and containment, between cooperation and the affirmation of its values.

40.

A ready measure of Chinese progress in imposing its own preferences in the matter of values is the list of countries that refuse entry to the “Dalai” as the Chinese call him to deny him priestly status--a rather long list that includes devoutly Buddhist (albeit not Tantric) Thailand, as well South Korea as noted.

41.

Another measure of Chinese progress in imposing its own conception of CCP-directed harmony upon the world emerged from the December 2010 Liu Xiaobo Nobel peace prize award ceremony struggle --it definitely was that for the Chinese Foreign Ministry whose diplomats worked overtime in dozens of capitals around the world. As mentioned, out of 65 resident ambassadors or DCMs in Oslo (traditionally non-resident envoys are not invited) China scored itself, Russia, Kazakhstan, Tunisia (as then governed), Saudi Arabia, Pakistan – US funded but never with the US if it can help it – Iraq (unpunished), Iran, Vietnam (VCP-CCP solidarity), Afghanistan (unpunished), Venezuela, Egypt (another unpunished aid recipient), Sudan, Cuba and Morocco (reflection of its dictatorial reality). On the other hand Liu Xiabo and the cause of human rights scored forty six more important countries, including Argentina, Bosnia and Herzegovina, Brazil, Chile, Colombia, Costa Rica, Guatemala, India, Indonesia, Israel, Japan, Republic of Korea, Philippines, Serbia, South Africa, Sri Lanka, Thailand, Turkey, and the Ukraine, in addition to EU members and such. These countries are listed because several are now the targets of Chinese diplomatic retaliation, in addition to Norway, as mentioned.

43.

The greater Chinese objective, however, is not to intimidate the likes of Sri Lanka or to bribe Guatemala, but rather to induce the United States to accept a genuine “G-2” parity that would include “mutual respect”, whereby neither side would criticize the political system of the other, or provide aid or comfort for local dissidents.



To be sure, any US-China parity would be an interim condition on the way to China's superiority in all things, when unreciprocated respect would be demanded, in addition to more tangible bounties no doubt.

44.

A G-2 complete with parity in values is certainly viewed as a long-term objective by CCP leaders, but for a tantalizing season it seemed very near, indeed almost achieved. During the worst "free fall" phase of the 2009 financial crisis, when the newly installed Obama Administration was soliciting urgent Chinese cooperation in increasing aggregate demand, there was a definite desistance on the issue of human rights: in a 2009 Strategic and Economic Dialogue press conference, Secretary Clinton responded to a question on the role of human rights in the discussions as follows :

"We obviously had some very good exchanges between ourselves and the Chinese about their perspective and ours, but it was certainly a matter of great interest and focus. "

45.

The moment passed but not without consequences in the interim: it was the 2008/2009 financial crisis at its most acute that unleashed China's triumphalism with its assertions of imminent or at least inevitable superiority, and also intensified its territorial assertiveness in word and deed.

46.

As it turned out, it was all counter-productively premature for China, for it revealed the menace behind the irenic mask of "Peaceful Rise", inducing reactions as diverse as Japan's retreat from the Ozawa flirtation with Beijing, Australian coalition-building activism, Indian bilateral initiatives with several of China's neighbors starting with the Russian Federation (via military joint ventures inter alia), and a broader process of coalescence.

47.

But this process will not suffice if there is no interruption in China's uniquely high growth rates. A China that can grow at 9% per year for more decades and keep allocating a steady portion of its resources to the accumulation of power in all its forms, would no longer need to be aggressive, or even assertive to impose its will.

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**US China policy No. 3: The Department of Defense and the armed forces**  
48.

As already mentioned in particular cases in regard to naval visits especially, the US Department of Defense as a whole and the armed forces severally are very effectively supporting the “containment” dimension of the State Department’s China policy.

49.

Whether it is through the low-key comings and goings of the International Military Education and Training (IMET) program of the Asia Pacific Americas Division of the Defense Cooperation Agency, scarcely more visible Air Force joint exercises such as the annual “Commando Sling” with the Republic of Singapore Air Force at Paya Lebar air force base – (which incidentally serves year-round for USAF beddown when needed), or the spectacular arrivals and cruises of aircraft carriers with their accompanying warships, the US armed forces complement the occasional statements and encounters of American diplomacy with their much more continuous connections : IMET which often creates life-long bonds, regular annual exercises, the ship visits and permanent basing in some cases.

50.

While none of this is of much help when encountering a thoroughly hostile ideology, as with Pakistan for example, the US armed forces otherwise serve to put the substance of security guarantees into alliance relationships, and in the absence of any formal alliance arrangements, their practiced habits of liaison and cooperation with local armed forces can suffice to replace them , if there is a political entente.

51.

Even aside from the actualities of containment, which are in any case localized and may also be transitory , for the Defense Department as a whole and for the US Air Force and Navy more decidedly, China has unambiguously become the prospective “Main Enemy” for planning and procurement purposes.

While the “global war on terror” inevitably sinks below the horizon because the vast number of prospective enemies –anyone, anywhere inflamed by *Jihad* –is offset by their impotence but for rare exceptions,

China's military aggrandizement is by far the greater and entirely more consequential phenomenon.

52.

Accordingly, the acquisition of major new US weapons is increasingly justified by China-oriented missions, or -indeed much more often--as a competitive reaction to the anticipated if not actual development of a given Chinese weapon. Hence, for example, the US Air Force makes much of the arrival of the *Chengdu J-20* (歼二十) *Jiān èr shí*; ("Annihilator Twenty") even though it remains uncertain if it is a true prototype of , or just a technology demonstrator for , a heavyweight , long-range, stealthy fighter-bomber of the *F-22* class in size if not advancement . There is no evidence that the Shenyang Aero-engine Research Institute can develop reasonably efficient and reasonably reliable engines powerful enough for a 70-80,000 pound aircraft such as the J-20 (though that might change with the innovations brought to China by the General Electric and Pratt & Whitney engine-making joint ventures mentioned above).

53.

Yet the USAF is fundamentally right to take the J-20 seriously, just as the Navy is right in taking seriously China's submarine and aircraft-carrier ambitions , because with the economy providing rapidly increasing resources, the country's entire scientific and technological superstructure is growing quantitatively and also qualitatively, and that in turn is providing an expanding base for military innovation in *every* sector and even every sub-sector .

54.

For it is a defining aspect of the quasi-anarchical and internally very competitive Chinese system that every branch of every service, and of the maritime paramilitary forces too, has its own vigorous advocates that seek ---and obtain- not merely an expanding torrent of more and newer equipment , but also its technological advancement.

55.

In addition to its active role in supporting the containment of low-intensity Chinese threats against the maritime possessions of American allies, quasi allies and new or renewed friends, the US armed forces of

course have long had and still have the mission of deterring high-intensity Chinese military threats.

Of these the least improbable is of course the periodically renewed threat to invade Taiwan or otherwise subject it by force –“unification” in PRC parlance.

56.

Taiwan: for a long time now, it has been thoroughly understood within the higher leadership of the CCP that the overt use of force against Taiwan could trigger not merely a US military response that would comport its own dangers of escalation even to the nuclear level possibly , but also something altogether more frightening because it would be so much more probable: the interruption of trade with the US , Japan and other like-minded countries. Such an interruption could be imposed almost instantaneously but it might only be fully lifted after a long interval (the July 1989 interruption of military trade still remains in effect). To the contrary, if there were resistance with serious combat on the ground and many civilian deaths, bilateral trade sanctions could even be supplemented by the denial of certain raw material shipments to China, including Persian Gulf oil for example (Australian raw material shipments are likely to be stopped from the start).

57.

That is why the CCP leaders limited themselves to menacing missile deployments , some edgy aerial patrolling , and a great many verbal threats even when the Taiwan government was headed by the declaredly separatist President Chen Shui-bian ( 陳水扁) now inmate 1020 in the Taipei prison in Gueishan, Taoyuan County.

The present role of Taiwan in CCP policy in general and military policy specifically, is precisely defined in “China’s National Defense in 2010 “ issued March 2011 by Information Office of the State Council. Section I “The security situation” :

The two sides of the Taiwan Strait are destined to ultimate reunification in the course of the great rejuvenation of the Chinese nation. It is the *responsibility of the Chinese people on both sides of the Straits* to work hand in hand to end the history of hostility, and to avoid repeating the history of armed conflict between fellow

countrymen. The two sides should take a positive attitude toward the future, and strive to create favorable conditions *to gradually resolve, through consultation on an equal footing*, both issues inherited from the past and new ones that emerge in the development of cross-Strait relations. The two sides may discuss political relations in the special situation that China is not yet reunified in a pragmatic manner. *The two sides* can hold contacts and exchanges on military issues at an appropriate time *and talk about a military security mechanism of mutual trust*, in a bid to act together to adopt measures to *further stabilize* cross-Strait relations and ease concerns regarding military security. *The two sides* should hold consultations on the basis of upholding the one-China principle to formally end hostilities and reach a *peace agreement*. [Italics added]

58.

All this refers back to the KMT-CCP civil war ---the two sides must negotiate an end to fratricidal conflict. Moreover with Han on both sides a fundamental equality obtains that overrides the balance of power. Given the need to “hold consultations” to prepare the opportunity to “talk about a military security mechanism of mutual trust” in order to “gradually resolve..” there is no great urgency either.

Further, given that the two sides are now on “on an equal footing” (KMT-CCP, not *Minnanhua*- speaking southern barbarians), it is natural that there are armed forces on both sides, which therefore remain unmentioned.

59.

For the time being at any rate , the US military mission of deterring and if needs be repelling an attack on Taiwan, howsoever demanding is not likely to be tested.

60.

More broadly, while today’s China is very similar to post-1890 Germany, insofar as it is advancing successfully in all peaceful endeavors, yet is bent on pointless military aggrandizement that must unite powers large and small against it; and because it owns vast, rapidly growing

industries yet is compulsively aggressive over inconsequential islets and shoals,<sup>139</sup>, there is no 1914 at the end of this story.

As noted, nuclear weapons may not reliably inhibit any and all armed conflict between nuclear-armed powers--- incidents can always take place, and they could escalate into localized forms of combat; that is why escalation-dominance is important, even if cannot escalate very far.

61.

But there is no 1914 endgame for an excessively successful China as there was for an excessively successful Germany, because that would require very large-scale, very sustained warfare -and that, surely, is simply impossible in the presence of nuclear weapons, which would be the irremovably extant court of appeal to remedy an adverse verdict in the lower court of non-nuclear warfare.

62.

Moreover, there is no "Star Wars" solution either – China cannot be undone by over-stressing its technological capacity. Whatever else the Defense Department might achieve by acquiring weapons expressly to compete with Chinese weapons, it cannot possibly achieve the great result that was achieved by competing technologically with the Soviet Union in the later 1970s and 1980s. In attempting to keep up with American military innovation, the Soviet Union allocated to that purpose an ever greater proportion of the scarce high-technology resources of an increasingly stagnant economy. As they were palpably failing and falling behind, Soviet leaders finally attempted the economic restructuring launched as *Perestroika*, which instead resulted in the disintegration of the planned economy, which in turn undid the entire Soviet system.

By contrast in the present competition, it is not the Chinese economy that is relatively stagnant but rather the US economy, for its highest sustainable growth rate cannot exceed 4% or so, while the Chinese economy is set to grow at least twice as fast for many years ahead, but for temporary disruptions.

63.

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<sup>139</sup> Even the highest estimates of the hydrocarbon and fishing value of the entire South China sea (proven producible reserves are unimpressive) are dwarfed by the dimensions of the Chinese economy.

Hence there is nothing within the jurisdiction of the Department of Defense -neither its necessary but insufficient support of containment, nor devastation by war, or a "Star Wars" technological offensive-- that can stop the processes that even now are eroding the material base of American hegemony, and adding to the material base of China's power. To put it crudely, that task is above its pay grade.

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## Final Conclusions

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### **I. Assumptions; and their fallibility**

1.

This study assumes that China's economy will continue to grow very rapidly, temporary disruptions aside, that is at rates of the order of 8% or more, that is twice as high as the highest sustainable growth rate for the US economy.

2.

This assumption could be wrong for any number of reasons, including for example, the inordinate accumulation of local government debt (40% of GDP, perhaps 50%) whose necessary reduction will impact on the infrastructure and construction sectors, significantly reducing growth, other things being equal; and the accelerating inflation (June 2011) which is forcing the Bank of China to restrict commercial lending as well, further reducing demand. There are also more complex factors that could interfere with China's rapid growth deriving from the many environmental dysfunctions generated by that very growth. Wage-push is also beginning to emerge as a limiting factor. More simply, to the extent that China's growth derives from exports, it must be increasingly difficult for China to grow at 9% per year when its major markets are growing much more slowly. Other impediments could be cited.

3.

This study further assumes that the CCP will remain in firm control of China, notwithstanding the increasing social tensions generated by ever-more extreme income and wealth inequalities in a country that retains an egalitarian official ideology; notwithstanding the frequency of riots against local government authorities provoked by land expropriations or official misconduct; or to the contrary, by municipal interventions to stop criminal misconduct; notwithstanding the frequency of ethnic agitations that have a national and political character now also in the Inner Mongolian Autonomous Region, as well as in Xinjiang, the Tibetan Autonomous Region and Tibetan-inhabited parts of other provinces; notwithstanding the ideological bankruptcy of the regime, highlighted rather than diminished by attempts to replace ideological legitimacy with



the décor and props of Maoism, by way of choral singing and tiresome commemorative films, neither of which can persuade CCP cadres to serve the CCP but for improper material rewards that in turn further erode the party's legitimacy under the heading of corruption; and notwithstanding the ever-increasing disaffection of the globalizing better educated who aspire to the freedoms of their global peers.

4.

This political stability assumption could be wrong.

China's rulers and their security apparatus are themselves not confident in the stability of their rule, judging by the hysterical over-reaction to the faint threat of a social-media "Jasmine" revolution in the spring of 2011. Perhaps they are just being prudently cautious, but perhaps they are better informed about the fragility of their rule than outside observers.

5.

Finally, this study assumes that for whatever reason, the CCP leadership will continue to increase overall military and related expenditures<sup>140</sup> during the years ahead in step with China's (assumed very rapid) economic growth.

For the time being, all available information confirms this assumption, but then all the available information is either retroactive or declaratory. It is possible that the proportion of the GDP allocated to military and related expenditures will be greatly reduced, for example to implement announced plans for publicly-funded health care and minimum retirement pensions.

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<sup>140</sup> For the PLA, para-military forces of international significance, military space and foreign Intelligence activities, and the supporting R&D and industrial base.

## II. Findings

1.

Independently of China's conduct on the regional and international scene, because of its inherent magnitude, the very rapid growth in its economic capacity and presumed military strength, would in any case evoke adversarial reactions, in accordance with the logic of strategy.

2.

Other things being equal, when a state of China's magnitude pursues rapid military aggrandizement, , unless the shift in the power-balance passes the culminating point of resistance inducing the acceptance of some form of subjection, former allies will tend to retreat into armed neutrality, former neutrals will become adversaries , and adversaries old and new will tend to coalesce in formal or informal alliances against the excessively risen power.

3.

Governments of states that fear for their very independence in the long run, as in the case of China's smaller neighbors; governments of countries that are unwilling to accept the hegemony of an authoritarian China in the very long run, as in the case of Australia or Japan; and the government of the United States, and presumably of the Russian Federation that seek to limit their loss of relative power, must all react to the rise of China by means of self-strengthening measures notably by increasing their military capabilities, by political consolidation and conciliation to increase social cohesion insofar as they case; but mostly by seeking protective allies and/or by coalescing with other threatened countries, both formally and informally.

4.

These reactions that express the very logic of strategy ensure in themselves that China cannot *concurrently* increase its strength and also its diplomatic (or political) influence. Unless and until the rise in China's relative power as compared to each of its weaker neighbors passes beyond the relevant tipping point, to impose the acceptance of subjection in some form, increases in China's relative military strength will increase resistance to its political influence-- an inherent consequence once coalitions are formed, or protecting allies are acquired.

5.

These inevitable reactions to the objective force of rapidly increasing power, have been greatly augmented since 2008 especially, by the periodically arrogant, provocative or even threatening words and deeds of the many different components of the Chinese state that operate internationally in some way, ranging from the State Council headed by Dai Bingguo 戴秉国, in charge of both the CCP Foreign Liaison Department and the Foreign Ministry (which, however, seems to have leeway in presenting policies), to the China Maritime Surveillance (CMS) organization 中国海监 *Zhongguo Haijian* of the State Oceanic Administration 国家海洋局, that operates perhaps the most actively provocative of China's very active para-military fleets.

6.

Individually, each of these components of the Chinese state may be rational enough in pursuing its own self-promoting institutional objectives, but the overall effect is contradictory and damages China's interests by evoking hostile reactions <sup>141</sup>, as in the case of the countries briefly discussed above, Australia, Japan, Vietnam, Mongolia, Indonesia and the Philippines.

Of these, only three have been variously threatened because of China's maximalist maritime claims over the South China Sea, but in all six Chinese influence has diminished in spite of the rising importance of the Chinese economy for their own, as all six have sought US protection or otherwise coalesced against China in various ways.

Only in the seventh country discussed above, South Korea, has Chinese influence increased instead of declining, not least because of a cultural predisposition to servility towards China and the Chinese. (South Korea being the polar opposite of Vietnam, whose own political culture is especially refractory to Chinese influence, notwithstanding the sometimes effusive inter-party solidarity of the VCP and CCP).

7.

China's diplomatic setbacks in the region that could be its primary sphere of influence, are remarkable because of the ever-rising importance of the Chinese economy for each country in question. They are the result of a

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<sup>141</sup> I have heard of no a theory that explains this conduct as conjointly advantageous for China.

deeply rooted strategic incompetence that reflects both the historical experience of the Han people , supremely accomplished in generating wealth from earth and water by hard work and wonderful skill, but exceptionally autistic in relations with the non-Han, and also the historical inexperience of the current and past Han states in the fluid conduct of inter-state relations among formal equals, as opposed to the management of a China-centered tributary system.

8.

These disabilities, moreover, are compounded by delusions of supreme strategic wisdom and fine diplomatic craft vouchsafed by ancient texts -- delusions which are reinforced by innocent or meretricious foreigners <sup>142</sup>-- and which remarkably withstand the historical record , wherein the text-possessing Han were ruled by small numbers of non-Han conquerors for two-thirds of the last thousand years, because their intra-cultural little stratagems were swept aside by synergistic combinations of force and diplomacy --the very thing absent in recent Chinese conduct as well.

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### III. Predictions

1.

Even when its current and reputedly weak leader changes, if the CCP's power base remains the same, the Chinese state will continue to pursue military aggrandizement at a rate comparable to the country's economic growth (or very rapidly at any rate), while concurrently continuing to advance its vast maritime claims in a threatening manner, and also engage in periodic acts of repression which remind the world that China is ruled by a self-appointed authoritarian higher party clique, not subject to any rule of law.

2.

The resulting adversarial reactions that express the logic of strategy by way of self-strengthening or coalescing, are already depriving China's government of much of the diplomatic influence that should naturally derive from its vast economic accomplishments , and particularly from its ability to control access to rapidly expanding Chinese markets and

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<sup>142</sup> Notably Henry A. Kissinger judging by the opening pages of his *On China*, op.cit

Chinese investment capital. Countries heavily dependent on China's economy are nevertheless openly acting against its desiderata, with only a few exceptions, of which servile South Korea is the most important.

3.

As one result, the United States has with little effort gained new allies in East Asia, or experienced the resumption or reinforcement of interrupted or eroding alliances, with countries as varied as Indonesia, Japan, the Philippines and Vietnam. With the addition of Australia and Singapore, with which the solidity of alliance was never in question, these countries alone amount to a substantial counterpoise to China's current and imminent military strength.

Further, China's military aggrandizement and threatening conduct is the obvious cause of the slow, difficult, contested, but nevertheless advancing military and to a degree, strategic, cooperation between the United States and India.

4.

At the present time and in the medium term, the threat potential generated by China's military aggrandizement will continue to be offset relatively easily by US military strength, even if increasingly complemented over time by allies and informal coalition partners, and by powers acting independently but in parallel, all activated by China's own threatening capabilities and conduct.

5.

While China's economic capacity and resulting military potential have grown enormously in the last three decades, it remains true that just three of the countries its policies have freshly antagonized since 2008, India, Japan, and Vietnam conjointly match or exceed China in population, GDP and overall technological capacity.

The three countries are not cohesive allies hence these additions mean little, but each cooperates strategically with the United States, which does have some population, GDP and technology of its own.

In that context, perceptions of the United States as a declining power reinforce rather than weaken its appeal for the most ambitious of its coalition partners -and that will continue to be true, unless and until a tipping point of overall coalition inferiority to China were to be reached.

6.

In the longer term, however, should China's economic capacity continue to grow much faster than that of its principal antagonists in combination, the latter would no longer be able to match its military aggrandizement, by affordable self-strengthening, and coalescence might also reach its political limits. (For example, for internal political reasons, the Russian Federation with its Central Asian lieges might remain in its present equipoise between China and the emerging countering coalition).

7.

At that point, with their power positions eroding and their very independence threatened by a still rising Chinese hegemon, the United States, its allies and other coalition partners and parallel actors could no longer limit themselves to military cooperation to negate potential Chinese military threats, and diplomatic coordination to deny the assertion of Chinese influence.

8.

The only remaining means of resistance would be "geo-economic" to apply the logic of strategy in the grammar of commerce<sup>143</sup>, by restricting Chinese exports into their markets, denying raw materials to China insofar as possible<sup>144</sup>, and stopping whatever technology transfers China would still need in that future context. If the military and diplomatic consequences of China's still faster economic growth can no longer be effectively negated, the only remaining alternative to subjection would be to impede its growth in sufficient degree to preserve the balance of power.

9.

As it is, China's sustained military aggrandizement and more recent propensity for threatening conduct, have already begun to prejudice the highly favorable trading atmosphere that allowed its very rapid export-led economic growth. Chinese exports to certain markets are already encountering new resistance, notably in Japan, the United States and Vietnam for example; because of sundry food and toy scandals but also declining goodwill for China, demand for some categories of Chinese

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<sup>143</sup> "From Geopolitics to Geo-Economics," *The National Interest* (Summer 1990): 17-23.

<sup>144</sup> For which the Chinese authorities themselves set a precedent in 2010, by stopping shipments of rare earths to Japan, an extreme case of strategic incompetence on their part.

goods has seriously declined in many more markets. These are matters of consumer choice, necessarily uneven and perhaps of slight total significance, but also of political choice in regard to infrastructural imports by central or local authorities. In the United States as in some other countries, authorities are now less likely than in the past to purchase high-visibility Chinese-made public goods .<sup>145</sup>

10.

Much more than that might be needed to impede China's economic growth, but a scattering of recently enacted measures could presage a future of more purposeful and consequential restrictions: the prohibition of telecomm switchgear and other imports by the United States and also India, in the name of communication security; the prohibition of certain categories of government procurement from China by the United States and also Japan among other countries; the prohibition of land sales to Chinese buyers enacted in Argentina and Brazil (neither of which prohibited such sales when the buyers were American or European); and the informal but effective prohibition of Chinese acquisitions of Australian mines and natural-gas fields.

11.

In that long-term future, US military strength would still be necessary to contain the consequences of China's aggrandizement, but it could not be effective in itself in maintaining the ability of the United States to pursue containment in the further future as well.

In such circumstances, a geo-economic response would become the "forced" solution to the problem of denying global hegemony to a still authoritarian China, thereby permitting American security in the long run, and the continued independence of China's weaker neighbors more immediately.

12.

It is possible of course that if only for ideological reasons, the United States with its remaining allies might wait too long, past the tipping point of Chinese *economic* hegemony, before enacting the required measures. In

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<sup>145</sup> Public reactions to the importation of the San Francisco Bay Bridge replacement segment from China in June 2011 suggest that no such highly visible items are likely to be imported by other US public authorities in the future—unless China's overall image were to change..

that eventuality of course, Chinese economic retaliation could inflict sufficient pain to leave the United States bereft of allies, or even force its own economic capitulation.

But if geo-economic action begins in time, its limited aim of impeding somewhat –say from 8% p.a. to 4% p.a. –rather than stopping or reversing China’s economic growth, would in turn severely limit the Chinese government’s retaliatory options. Against a devastating attack, all available means can be employed regardless of cost, but that is not true when the attack inflicts limited damage, and the costs of retaliation must be finely calculated.

Besides, if China were to continue to hold large amounts of US debt – unlikely but possible – its retaliatory options would be even more restricted, because borrowers can benefit by damaging lenders, but no lender can benefit by damaging the borrower.

13.

It is also very unlikely that China would respond with force to geo-economic action, for that would merely result in a natural, even inevitable intensification and not reduction in the scope and intensity of the economic measures.

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14.

The logic of strategy is not self-executing, but over time its imperatives tend to prevail over every barrier, including cultural impediments and ideological fixations, just as they prevail over political antipathies when alliances become strategically necessary.

At this time, the rising threat is the hegemony of an authoritarian and assertive China. The logic of strategy demands effective reactions, which can still be warlike in our nuclear era, but can no longer achieve purposeful aims by large-scale war. Hence if the economic disparity between China and the anti-China coalition were to reach proportions that no longer allow military balances to be maintained, the reaction must assume economic forms even if it is wholly strategic in content.

Only a fully democratic China could advance unimpeded to global hegemony, but then the various and varying governments of a fully democratic China would undoubtedly seek to pursue quite other aims.

END



## # ANNEX : THE RISE AND FALL OF “PEACEFUL RISE”

1.

The slogan Peaceful Rise, 中国和平崛起 *Zhōngguó hépíng juéqǐ*, was first given international currency by Zheng Bijian, Hú Jǐntāo’s mentor and senior advisor till now (March 2011), a former Vice Principal of the Central Party School and now also a Ministry of Public Security advisor, with his own elegantly housed institute. The occasion was the 2004 session of the China-Australasia Bo’ao Forum which meets annually in Hainan. Subsequently, Zheng Bijian published an article in *Foreign Affairs* (Sept./Oct. 2005) which presented the concept more fully as “China's Peaceful Rise to Great-Power Status”.

2.

中国和平崛起 *Zhōngguó hépíng juéqǐ* was very well received but by the time the *Foreign Affairs* article was published it had been replaced in Chinese official parlance by 中国和平发展 *Zhōngguó hépíng fāzhǎn* "China's peaceful development", to remove the challenging undertone of “rise”, and further dissuade adversarial reactions.

In essence, it conveyed the promise (Zheng Bijian’s official status was made explicit) that China would employ the ever-increasing resources generated by rapid economic growth for its continued internal development rather military aggrandizement, and that it would join, rather than seek to disrupt or supersede, the comity of the principal nations, the US, European Union and Japan, while being mindful of the needs of the Global South.

3.

The success of the Grand Strategy is proven by what did *not* happen: no anti-Chinese military alliance emerged among China’s neighbors all around, and there was no move to impose trade barriers specifically meant to slow its economic growth. (It is true that there was and there is always some “protectionism”, ie. specific trade barriers, but their aim is to protect favored sectors --usually for domestic political reasons- and not to hurt China’s economic growth for strategic reasons; claims to the contrary are common, but without any evidence to support them).

4.

The 中国和平发展 or 中国和平崛起 Grand Strategy was characterized not by what it included --that could only be determined in the future), but what it excluded -- and over the years, successive Chinese leaders made these exclusions perfectly clear.

Each was a promise not to do something that rising economic capacity and/or its military potential could have made possible:

Exclusion 1 : peacefully rising China would not seek to create its own world system but would rather join in the existing world system; it would be “rule-taking “ in Chinese terms, not “ rule-making” .

Exclusion 2: peacefully rising China would not seek regional, let alone global, hegemony , hence its military forces would not threaten or deliberately intimidate other countries.

Exclusion 3 : peacefully rising China would not try to use force over territorial and maritime disputes but would resolve them by diplomatic means only, including bilateral or multi-lateral negotiations, and possibly international adjudication and arbitration. (but that was not explicitly stated) .

Exclusion 4 : peacefully rising China would not use its rapidly increasing economy to maximize its accumulation of military strength as the Soviet Union had done in the last thirty years of its existence (with a final outcome that did not inspire imitation) .

Exclusion 5 : peacefully rising China would not disrupt the economies of other countries while seeking to expand its own, for example it would not condone, but rather seek to repress the theft of intellectual property, while respecting the common rules of international trade that would later be specified by the WTO.

Exclusion 6 : peacefully rising China would peacefully re-absorb Hong Kong and Macao; moreover, so long as Taiwan’s identity as a province of China was not challenged, no force would be used against the island.

5.

Because these reassuring promises were ably presented by successive Chinese leaders in credible ways , and -more important--because actual Chinese conduct kept faith with the promises in 2005-2008, there was no “natural “ reaction to China’s extremely rapid rise : no elements , even tacit, of any anti-Chinese alliances emerged on its periphery, and there were no attempts to deliberately slow China’s economic growth.

6.

Until 2009 , the credibility of the Peaceful Rise grand strategy was reaffirmed by actual Chinese conduct. But that is no longer true of course. Exclusions 4, 5, 6 have been respected so far , but not the first three exclusions . <><><>

ENDNOTE: The US TREASURY AND CHINA: rules are for others.

Emily Fitter "US caught China buying more debt" Reuters, New York , June 30, 2011; 16:47

The rules of Treasury auctions may not sound like the stuff of high-stakes diplomacy. But a little-noticed 2009 change in how Washington sells its debt sheds new light on America's delicate balancing act with its biggest creditor, China.

When the Treasury Department revamped its rules for participating in government bond auctions two years ago, officials said they were simply modernizing outdated procedures.

The real reason for the change, a Reuters investigation has found, was more serious: The Treasury had concluded that China was buying much more in U.S. government debt than was being disclosed, potentially in violation of auction rules, and it wanted to bring those purchases into the open - all without ruffling feathers in Beijing.

Treasury officials then worked to keep the reason for the auction-rule change quiet, with the acting assistant Treasury secretary for financial markets instructing subordinates to not mention any specific creditor's role in the matter, according to an email seen by Reuters. Inquiries made at the time by the main trade organization for Treasury dealers elicited the explanation that the change was a "technical modernization," according to a document seen by Reuters. There was no mention of China.

The incident calls into question just how clear a handle the Treasury has had on who is buying U.S. debt. Chinese entities hold at least \$1.115 trillion in U.S. government debt, and are thought to account for roughly 26 percent of the paper issued by Washington, according to U.S. government data released on June 15.

China's vast Treasury holdings are both a lifeline and a vulnerability for Washington - if the Chinese sold their Treasuries all at once, it could undermine U.S. markets and the economy by driving interest rates higher very quickly. Scenarios of this sort have been discussed in Washington defense-policy circles for at least a year now. Not knowing the full extent of these holdings would make it even more difficult to assess China's political leverage over U.S. finances.

The Treasury has long said that it has a diversified base of investors and isn't overly reliant on any single buyer to digest new U.S. Treasury issuance. Evidence that China was actually buying more than disclosed would cast doubt on those assurances.

The United States sells its debt to investors through auctions that are held weekly - sometimes four times per week - by the Treasury's Bureau of the Public Debt, in batches ranging from \$13 billion to \$35 billion at a time. Investors can buy the bonds directly from the Treasury at auctions, or through any of the 20 elite "primary dealers," Wall Street firms authorized to bid on behalf of customers. The Treasury limits the amount any single bidder can purchase to 35 percent of a given auction. Anyone who bought more than 35 percent of a particular batch of Treasury securities at a single auction would have a controlling stake in that batch.

By the beginning of 2009, China, which uses multiple firms to buy U.S. Treasuries, was regularly doing deals that had the effect of hiding billions of dollars of purchases in each auction, according to interviews with traders at primary dealers and documents viewed by Reuters.

Using a method of purchases known as "guaranteed bidding," China was forging gentleman's agreements with primary dealers to purchase a certain amount of Treasury securities on offer at an auction without being reported as bidders in that auction, according to the people interviewed. After setting the amount of Treasuries the guaranteed bidder wanted to buy, the dealer would then buy that amount in the auction, technically on its own behalf.

To the government officials observing the auction, it would look like the dealer was buying the securities with the intent of adding them to its own balance sheet. This technicality does not preclude selling them later in the secondary market, but does influence the outcome of bidding in the auction, by obscuring the ultimate buyer. In fact, the dealer would simply pass the bonds on immediately to the anonymous, guaranteed bidder at the auction price, as soon as they were issued, according to the people interviewed.

The practice kept the true size of China's holdings hidden from U.S. view, according to Treasury dealers interviewed, and may have allowed China at times to buy controlling stakes - more than 35 percent - in some of the securities the Treasury issued.

The Treasury department, too, came to believe that China was breaching the 35 percent limit, according to internal documents viewed by Reuters, though the documents do not indicate whether the Treasury was able to verify definitively that this occurred.

Guaranteed bidding wasn't illegal, but breaking the 35 percent limit would be. The Uniform Offering Circular - a document governing Treasury auctions - says anyone who wins more than 35 percent of a single auction will have his purchase reduced to the 35 percent limit.

Those caught breaking auction rules can be barred from future auctions,

and may be referred to the Securities and Exchange Commission or the Justice Department.

The Treasury Department generally does not comment on specific investors but a source in the department said China was not the only Treasury buyer striking guaranteed bidding deals.

People familiar with the matter named Russia as being among the guaranteed bidders. But Russia's total Treasury holdings, while significant, represent 2.8 percent of outstanding U.S. debt, versus one-fourth for China's.

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Traders at primary dealers did not have the same diplomatic concerns about the level of Chinese buying. But they did have reasons to dislike guaranteed bidding, and they began clamoring for a change. One trader said in an interview he first brought the issue to the attention of Treasury officials in 2007.

Some primary dealers began expressing concern that the deals were opaque in a way akin to the Salomon Brothers Treasury trading scandal in the early 1990s. In that case, traders from the securities firm submitted false bids under other bidders' names in Treasury auctions in order to more closely control the results, and their bids altered the auction prices. The idea that unseen bidders were again influencing auction prices raised similar concerns among traders.

There were also commercial concerns: Dealers say that knowing that the practice was going on at other firms made them less confident they could see and understand overall patterns of buying in the Treasury market. Such visibility can be one of the greatest benefits of being a primary dealer, since the service itself often doesn't pull in big profits directly. Some traders at primary dealers say they simply refused to do the deals and ended up turning away customers, including China. That irked sales colleagues who were promising clients guaranteed bidding deals.

At the beginning of 2009, Treasury officials began discussing the issue of guaranteed bidders, with a focus on China's behavior, internal documents seen by Reuters show. The culmination of their efforts was a change to the Uniform Offering Circular published on June 1, 2009 that eliminated the provision allowing guaranteed bidding.

Treasury Secretary Timothy Geithner was in Beijing that day meeting with Chinese government officials on his first formal visit to China since taking up his cabinet post. There is no evidence he discussed the rule change with Chinese officials there.

A spokeswoman for the Treasury Department said: "We regularly review and update our auction rules to ensure the continued integrity of the

auction process. The auction change made in June 2009 eliminated some ambiguity in auction rules and increased transparency, which ultimately benefits taxpayers and investors."

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The rule change had an immediate impact.

In the first auctions conducted after guaranteed bidding was banned, a key metric rose sharply: the percentage of so-called indirect bidders, those who placed their auction bids through primary dealers. Indirect bidders are seen as a proxy measure for foreign central bank buying, because foreign central banks most often bid through primary dealers. With the elimination of the guaranteed bidder provision, far more buyers were put in this class in reports to the Treasury Department.

The seven-year U.S. Treasury note, which was sold in sizes of between \$22 billion and \$28 billion once a month from February 2009 to September 2009, had an average indirect bid percentage of 33 percent from February through May. But from June to September the average indirect bid rose to 63 percent.

Shortly after the Treasury revised the auction rules, U.S. officials learned from dealers that some bidders were seeking to continue using guaranteed bids. According to a Treasury document, a large client asked one primary dealer whether the Treasury might make an exception to the new rule for them. Neither the client nor the dealer were named.

Deutsche Bank, Goldman Sachs, JPMorgan, RBS Securities and UBS all received calls from clients asking for secret bid arrangements immediately after the rule change went into effect, according to the internal Treasury document, a summary of inquiries received seeking guidance from dealers after the rule change.

Deutsche Bank, according to the document, said their client canceled a bidding deal. Goldman told Treasury that a large client would be going to other dealers who in the past had done the deals after Goldman turned them away, the document said.

JPMorgan asked if there were any exceptions to the new prohibition on guaranteed bids. RBS said it actually struck a deal with a customer for a guaranteed bid after the rule change, but it used a different structure and wanted to know what was legal. UBS told the New York Fed that its former guaranteed-bidder client would now change its behavior and buy Treasuries in the secondary market directly after an auction, according to the document.

Spokespeople for Goldman Sachs and UBS declined to comment for this story. Deutsche Bank, RBS, and JPMorgan did not respond to requests for comment.

The change came at a delicate time in U.S.-Chinese financial relations. China, long a major buyer of American government securities, was at the time snapping up huge amounts of debt as Washington was suffering a sharp drop in tax revenue during a crushing recession.

Almost all of the business of buying Treasuries on behalf of the Chinese government is conducted by China's State Administration of Foreign Exchange (SAFE), an arm of the Chinese central bank which manages China's currency reserves, which include large amounts of U.S. Treasury bonds.

SAFE, for its part, was facing heat in China over the extent of its U.S. holdings. SAFE was hit hard by the collapse of Lehman Brothers, the doomed investment bank that was SAFE's trading counterparty in the U.S. overnight-lending market. And the potential losses SAFE faced upon the collapse of the U.S.-backed mortgage titans Fannie Mae and Freddie Mac whipped up such a storm in China that Chinese officials publicly berated the Americans for lapses in financial stewardship. (For more, click [onlink.reuters.com/qec28r](http://onlink.reuters.com/qec28r) )

SAFE officials in Beijing did not respond to a request for comment. After evidence mounted that China was disconcerted by the auction-rule change, U.S. officials moved to tweak the system, to offset some of the pinch of the stricter bidding rules. The move gave big buyers a way to maintain some anonymity, by increasing the amount of securities it was possible to buy at a single auction without having to declare the purchase in a letter to the New York Fed.

The old requirement stipulated that any purchase of \$750 million in Treasury securities had to be declared by the buyer in a letter to the New York Fed. Officials increased the threshold to \$2 billion.

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The official explanation for eliminating guaranteed bidders did not mention foreign central banks at all. It focused instead on "technical modernization" of auction rules.

One government official warned others in a written message "not to include the words 'China' or 'SAFE' in email subjects." The Securities Industry and Financial Markets Association, the main trade organization for Treasury dealers, asked the Treasury in early June 2009 to explain the change. The Treasury's response: It had found that a detail in its auction rules no longer applied to the way auctions were conducted, and so the rule was changed, according to an internal Treasury memo.

Separately, the Treasury's acting assistant secretary for financial markets, Karthik Ramanathan, told subordinates in an email: "Please let's stick to the 'Modernization of Auction Rules' when outside requests come in on

the (rule) change. Please DO NOT emphasize the guaranteed bid portion, or mention any specific investors."

Ramanathan, who left the Treasury in March of 2010 and is now senior vice president and director of bonds at Fidelity Investments in Merrimack, New Hampshire, declined to comment.

The Federal Reserve Bank of New York, which interacts directly with primary dealers on Treasury auctions, issued a strongly worded letter on June 23, 2009, dealers say, urging them to "comply with the spirit as well as the letter of this recent auction rule clarification."

"That was how we knew they wanted us to tell them who was buying what," said a trader at one primary dealer.

(Additional reporting by Kristina Cooke and Benjamin Kang Lim; Editing by Michael Williams and Claudia Parsons) <><><>