

January 13, 2011

To: Katonah Great Decisions Participants

From: Fred Piker – Discussion Leader

Re: Summary of 1/10/12 Meeting – “Chinese Foreign Policy: Recent Developments and Implications for the U. S. and the World” – Topic Leader: Charles Kimball

**10:15: KICKOFF**

Welcome and Introduction of Guests & New Chapter Members

Welcome to new members – Paul Dolgert and Rick (Fred) Shiels – and to guest Marian Cross – who subsequently decided to join as well.

Future 2011-12 Day Time Meeting Dates

1/24, 2/7, 3/6, 3/20, 4/3, 4/17, 5/1, 5/15

Future Schedule of Winter Daytime Meeting Topics

1/24 – “Indonesia & U. S. Pacific Strategy” – Co-Topic Leader: Fred Piker

2/7 - “Energy Politics” – Co-Topic Leader: Charlie Kimball

3/6 - “State of the Oceans” – Co-Topic Leader: Howard Jacobs

**Note – on 1/31 the Planning Committee will schedule subsequent topics**

Distribution of 2012 FPA Briefing Books

Stan Starr distributed books to those who ordered them. For those “no shows” who ordered a Briefing Book, on 1/12 I left their copies for collection at the KVL main desk.

Remembering Richard Webb-(Former Chapter Discussion Leader) – Follow Up

To follow up our 12/6 meeting, in Richard’s memory our Chapter will donate to KVL a book – “George Kennan: An American Life.” Additionally, a picture frame, including a picture of Richard and “words of tribute” (which Stan Starr kindly agreed to prepare) will be placed soon in KVL’s Ted Hawryluk Memorial Conference Room (main floor – behind the Director’s office).

## Chapter Contribution to KVL

After paying for the Briefing Books, in December I wrote a check to KVL for \$450.

### Updated Participant List

I recently sent out updated lists of participants and those ordering 2012 Briefing Books.

### Issues for Current Events Module

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Suggestion - recent developments re Iran

## **GROUP DISCUSSION**

*CHAPTER MOTTO - “DISCUSSIONS SHOULD BE CONDUCTED WITHOUT FONDNESS FOR DISPUTE OR DESIRE FOR VICTORY” – BEN FRANKLIN*

### **Readings & References - Pre-Meeting Preparation**

#### **Priority & Supplementary**

**“PRIORITY” REFERENCES ARE ASTERISKED BELOW. BECAUSE FOR THIS TOPIC WE ARE DRAWING FROM MULTIPLE SOURCES, RATHER THAN FROM A PRINCIPAL SINGULAR SOURCE (I. E. – THE FPA BRIEFING BOOK), THE LIST OF READINGS AND REFERENCES IS EXTENSIVE. AS YOUR SCHEDULE PERMITS, PRIOR TO 1/10 PLEASE BROWSE/READ AS MANY AS YOU CAN. THANKS IN ADVANCE FOR YOUR UNDERSTANDING.**

\*“That Used To Be Us: How America Fell Behind in the World It Invented and How We Can Come Back” – Authors: Tom Friedman & Michael Mandelbaum

“The Post American World” – Author: Fareed Zakaria

“America and the World”- Authors: Zbigniew Brzezinski & Brent Scowcroft

\*“On China” – Henry Kissinger

\* “The Quest” (Chapters 9 & 10 - “China’s Rise” & “China in the Fast Lane”) – Daniel Yergin

“The Party” – Richard McGregor

\*“China, America, and the Struggle for Mastery in Asia” – Author: Aaron Friedberg

FT – 4/13/10 – “China Looks at the World – The World Looks at China”

The Economist – 6/25/11 – “China’s Future – Rising Power, Anxious State”

FT – 7/8/11 – “Tensions Increase”

\*NYT – 8/24/11 – “Chasing Rare Earths, Foreign Companies Expand in China” – Keith Bradsher

The Economist – 8/20/11 – “China’s Currency: Redback and Forth”

FT – 8/31/11 – “China Confronts Indian Naval Vessel”

The Economist – 9/10/11 – “China’s Evolving Foreign Policy – The Libyan Dilemma”

NYT – 9/14/11 – “China Links Investment in Europe With Its Own Agenda for Trade”

FT – 9/15/11 – “China and U. S. On Edge Over Vote in Taiwan”

\*NYT – 9/15/11 – “Rare Earths Linkage”

\*NYT – 9/22/11 – “Amid Tension, China Blocks Vital Exports to Japan” – Keith Bradsher

The Economist – 9/24/11 – “Becoming Number One”

FT – 9/28/11 – “China Warning”

FT – 9/29/11 – “A Show of Force”

FT – 10/3/09 – “U. S. Foreign Policy as Seen From China”

FT – 10/12/11 – “China Military Mobilizes Cyber Militias”

Charlie Rose Interview re China – 10/13/11 – with Noriel Roubini and Richard McGregor

NYT – 10/14/11 – “America the Overcommitted”

WSJ – 10/25/11 – “The Phony Success of China’s Stimulus”

NYT – 11/1/11 – “A Silver Lining to America’s Waning Influence”

\*Time – 10/31/11 – “Be Very Afraid of the China Bubble”

Time – 11/6/11 – “When Will We Learn?” – Fareed Zakaria

WSJ – 11/11/11 – “Pressure Increases Over Yuan”

The Economist – 11/12/11 – “China’s Restive Tibetan Regions – No Mercy” AND “State Capitalism in China – Of Emperors and Kings”

WSJ – 11/17/11 – “Falling Out of Love With China” AND “China, U. S. Use Same Tracking Base” AND “China, Russia Resist Sanctions Against Iran”

Oxford Analytica – 11/17/11 – U. S./Australia

Oxford Analytica – 11/18/11 – “Japan-China Rare Earths”

NYT – 11/21/11 – “How China Can Beat America”

NYT – 11/22/11 – “China Bends to U. S. Complaint on Solar Panels, But Weighs Retaliation”

WSJ – 11/22/11 – “The GOP’s Foreign Policy Debate: A Cheat Sheet”

Time – 11/28/11 – “How to be a real Superpower” – Fareed Zakaria

NYT – 12/3/11 – “Will China Stumble/ Don’t Bet On It”

WSJ – 12/1/11 – “China’s Superior Economic Model”

The Economist – 12/10/11 – “Macau’s Gambling Industry – A Window on China”

Fortune – 12/12/11 – “The \$1 Billion Rare Earth Gamble” AND “Ikea Takes on China”

NYT – 12/14/11 – “As China Rises A New U. S. Strategy” – Zbigniew Brzezinski

The Economist – 12/17/11 – “China Abroad – Sun Tzu and the art of soft power”

NYT – 12/20/11 – “China’s Newest Province?” AND “China Exerts Influence Nurtured Over Decades”

\*Charlie Rose interviews – 12/20/11 – re North Korea & China/U. S. relations

WSJ – 12/20/11 – “North Korea: Beyond Kim Jong II”

\*WSJ – 12/27/11 – “Seoul Beefs Up Steps to Fight Illegal Fishing” – Se Young Lee

WSJ – 12/28/11 – “Beijing Launches Rival to U. S. GPS System”

\*PBS News Hour Video re North Korea – 12/28/11

WSJ – 12/29/11 – “China’s Year of the Question Mark”

The Economist – 12/31/11 – “Succession in North Korea – Grief and Fear” AND “How to get a date – The year when the Chinese economy will truly eclipse America’s is in sight”

Time – 1/9/12 – “A Post-American World in Progress – Why emerging powers didn’t lead in 2011 and won’t in the coming year” – Fareed Zakaria

The Economist: The World in 2012 – China – “Changing the Guard” – “Redback Rising” – “Keynes v Hayek” – “Han on a Minute”

### **Topic Introduction**

Some, like Daniel Yergin, believe there is significant risk of rising tensions leading to conflict between the U. S. and China. Others, like Henry Kissinger, believe this is not inevitable and must be avoided. Many recent developments covered in articles in the NY Times, WSJ, and the FT, among other sources, would seem to indicate that conflict has already started on many fronts. The leadership transition in North Korea calls attention to the risk of mistakes in the region, while at the same time presenting opportunity for the two countries to work together to achieve something they both desire – stability and peace. Drawing from his extensive experience – both personal and business - associated with China, initially Charlie will highlight and put into perspective recent developments relevant to Chinese foreign policy and U. S./China relations. Subsequently, he will lead discussion on the questions listed below.

**(A detailed outline of Charlie’s Topic Introduction follows in a separate e-mail)**

### **Preliminary Discussion Questions**

1-China has certainly been a rising #2 and the U. S. may be a waning #1. Does that make conflict between the two inevitable?

2-Whether conflict is inevitable or not, how can U. S. policymakers best manage our relationship with China?

3-What characteristics of Chinese behavior seem most pertinent? In what relevant ways is modern China similar to and different from dynastic China?

4-What do you perceive as China's long term Pacific strategy and objectives?

5-Since its inception, America has felt a free economic market maximizes opportunity for growth and innovation. In contrast, by following a government directed economy and growth oriented reforms, China has become the world's second largest economy. What are the implications for U. S. foreign policy?

6-In a 11/21/11 NYT's editorial, Yan Xuetong, a Professor and Dean at Tsinghua University, argues,"China must shift its priorities away from economic development to establishing a harmonious society free of huge gaps between rich and poor. It needs to replace money worship with traditional morality and weed out political corruption in favor of social justice and fairness." What is the likelihood of China following this approach?

7-As a byproduct of China's rising economic/financial clout, many believe China is rapidly becoming a superpower. In a recent Time essay, Fareed Zakaria called attention, though, to examples of China's policy behavior that are inconsistent with superpower status - favoring Chinese companies over foreign ones, rampant intellectual property theft, some African countries' belief they have sold out their economic interests to Beijing, China's asserting its sovereignty over disputed waters and islands in the South China Sea. Does such behavior suggest China wants to pursue economic or power dominance rather than help maintain and abide by global rules?

8-How might the recent change in North Korea leadership impact China/U. S. relations?

### **Participant Observations**

Issues discussed:

-Validity of the metrics used to assess/evaluate ranking of countries (i. e. – China vs. U. S.) and ability to project power

-Why should the U. S. be concerned re whether the U. S. or China ranks #1 or #2?

-Are both China and the U. S. possibly heading toward a self sustaining arms race?

-The potential impact on U. S. foreign policy arising from prospective reduction of U. S. defense/military expenditures and China's increase in such expenditures

-Were the U. S. to depart from the Pacific sea lanes, to protect the flow of its imports Japan would likely start to significantly expand its military, particularly its navy. U. S. departure is unlikely. Because both China and the U. S. desire Asia/Pacific peace and stability, neither country would like Japan to rearm.

-Validity of reported Chinese economic data/metrics

-Whether the U. S. State Department has sufficient “bench strength” (in-depth understanding) of China’s vastly different culture and set of mores for coping with and responding to 21st century challenges

-Economic issues are the principal drivers for potential China/U. S. conflict

-China’s coping with its internal issues – i. e.- 1-dissent & strife; 2-addressing issues in the western provinces (i. e.- aging population, migration of the young to eastern provinces, etc.) <Reference: “China Road: a Journey Into the Future of a Rising Power”- Author: Rob Gifford>; 3-corruption; and 4-pollution

-China’s influence in the Indian Ocean

-Is China pursuing “manifest destiny?” No – pursuing manifest destiny is not China’s historical style.

-China’s long term plan re Taiwan – Annex?

-Reported increasing exceptions being made to China’s one child per family policy

-What posture should the U. S. take toward China – perceive as a threat? – contain like in the cold war? – or engage?

-Influence of China’s “cultural revolution” on the forthcoming new leadership who grew up during the revolution

-What benefit/return does the U. S. receive for maintaining control of the seas? Should other countries share in this responsibility (e. g. – China) and also the cost burden?

### **12:00 P. M.-ADJOURNMENT & CURRENT EVENTS MODULE**

The discussion focused on Iran, including its relationship to China.

### **12:30 P. M. – ADJOURNMENT OF OPTIONAL MODULE**

Hope you can join us on 1.24.

Best regards,