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Interview with Prof. David M. Lampton

USAPC: For the past couple of years, China has pursued its economic, diplomatic, and security-related interests in an increasingly assertive – some would say aggressive – manner, leading to growing tensions in U.S.-China relations. To what do you attribute China’s behavior?

Lampton: China’s behavior has been influenced by a combination of recurrent patterns, miscommunication, and the PRC’s rising power. History suggests that both countries tend to test each other when there are changes of administration, particularly in the United States.

Since President Nixon’s trip to China in 1972, bilateral relations have been series of compromises on various issues, not least Taiwan. Compromises never fully satisfy either side. So, when a new U.S. administration enters office, the Chinese want to test whether it will modify those earlier compromises in ways more favorable to the PRC. And, in fact, sometimes Washington does the same thing to Beijing when it senses opportunity.

For instance, while campaigning for president, then-candidate Ronald Reagan indicated that he did not care for the Taiwan-related provisions of the agreement concluded by President Carter’s administration to normalize relations with China. After Reagan entered office, he tried to test the extent to which the Chinese would tolerate an upgrade in U.S.-Taiwan relations. For its part, Beijing tried to test how far President Reagan would go in agreeing not to sell weapons to Taiwan. The result was the August 1982 Communiqué, which has had a checkered history ever since it was negotiated. Neither side was happy with this outcome, really.

There was a similar pattern during the early years of the Clinton Administration. President Clinton tried to tie trade benefits to a commitment from China to improve its domestic human rights practices. Candidate Clinton had accused President George H. W. Bush of having coddled dictators in Beijing. After a period of conflict, the Clinton White House backed off this attempt to link trade and human rights. The point is, when there are new U.S. administrations, either Washington or Beijing will try to test the possible limits of the other.

Not surprisingly then, when President Obama entered office in January 2009, the Chinese government wanted to test whether the new president would have the same commitments as President George W. Bush with respect to Taiwan, maritime issues in East and Southeast Asia, and visits to this country by the Dalai Lama.

President Obama appropriately wanted to go to China during his first year in office in order to establish a good human relations foundation with President Hu Jintao. With this very sensible goal in mind, President Obama deferred taking action on such sensitive issues as weapons sales to Taiwan and the Dalai Lama’s visit until he had a chance to meet President Hu and begin to build some goodwill. The hope in Washington was that when Obama finally acted on these issues there would be some understanding in Beijing and bilateral relations would not be overly affected.

Unfortunately, Chinese leaders perceived the decision of the new American president initially to defer action on these issues as a possible lack of commitment to be tested. I understand that when President Obama visited China in November 2009, he told President Hu

directly that he would proceed with arms sales to Taiwan and meet the Dalai Lama in the latter's capacity as a religious leader.

Beijing's reading was a huge mistake. Anyone who understands the Taiwan Relations Act and U.S. congressional politics knew that Washington was going to sell weapons to Taiwan and that President Obama was going to meet the Dalai Lama. The only question was when all of this would happen and which weapons would be sold. In a purely political sense, Beijing invested far more "face" in these issues than there was any realistic chance of recovering.

In reality, though, the Obama administration to some extent may have set the stage for this misunderstanding early in 2009. During Secretary of State Clinton's first overseas trip to Asia in February 2009, she stated very clearly that U.S. policy priorities would be security, global economic stabilization, and climate change, indicating that other things were of lower priority.

From my interviews in China it seems that the Chinese mistakenly thought they could achieve some of their long-standing concerns in view of the priority placed on security, global economic stabilization, and climate change by the new administration. While I agree with Secretary Clinton's specification of U.S. interests, I think it also is important to bear in mind that when you make a list, inadvertently you may be signaling to the other guy, "I care less about other things not mentioned."

Beyond testing and miscommunication, probably the most important factor influencing China's behavior is that its comprehensive national power is greater than ever before in modern history. Many in China perceive outside powers -- including the United States -- as gradually becoming less dominant. Some quarters of the Chinese leadership, particularly in the military, and certain segments of the public are inclined to believe that a strong China need not put up with all of the "indignities" it had to swallow when it was far weaker.

So, what we have here is a pattern of testing, some miscommunication, and a somewhat shifting power balance.

USAPC: Please elaborate on China's own view of its growing power and the forces below the surface that appear to be shaping relations

Lampton: The Chinese believe they're becoming stronger and, indeed, they are. Figures released in mid-August indicated that China's total GDP had passed that of Japan. As one Chinese said to me, "We got to the center of world politics 20 years faster than we thought we would."

Generally speaking, the Chinese tend to look at life as an ongoing negotiation. When the strength of one party is perceived to have diminished and the strength of another party increases, it's very natural for the Chinese to think they're entitled to renegotiate some earlier agreements that no longer reflect the current distribution of power as they see it. Such agreements would include U.S. policy toward Taiwan or the Dalai Lama. The Chinese attitude appears to be, "Now that we're stronger and the Americans owe us around \$1 trillion in debt, maybe the Americans will be more considerate of our interests."

Finally, as a corrective to a simplistic power analysis, I also think that China's behavior has been influenced by domestic politics. Hu Jintao presumably will move toward the sidelines in 2012. In this setting of competitive domestic politics in China, no one wants to be perceived as being weak on the Americans. That's not how you "run" for General Secretary, President, and Chairman of the Central Military Commission in China.

Consequently, we're not at a particularly good moment in U.S.-China relations, but I think some people are being unduly pessimistic. Underneath all of the tensions, the two countries actually need each other's cooperation to a great degree. In my view, there are boundaries to this set of frictions -- at least if both sides manage things tolerably well.

There is tremendous economic interdependence between the two countries, and we both have domestic problems of such great magnitude that we really don't want a problem with each other. The United States has two wars and an economy with nearly 10 percent unemployment, and China still has another 400 million people to move from the country to the cities, plus it still has a long way to go economically. This is not a great moment in bilateral relations, but I'm not apocalyptic.

USAPC: You mentioned the anticipated leadership change in China in 2012. How much of China's current behavior -- particularly its aggressive pursuit of sovereignty claims in the South China Sea -- is influenced by the need of rising political stars to secure Chinese military support. Or, more generally, have conservative elements in China gained the upper hand politically?

Lampton: Politically, there is a reality in China. The first two generations of Chinese leaders -- Mao Zedong and Deng Xiaoping -- not only were political leaders, they also were military leaders. Therefore, they had credibility with the Chinese armed forces. This is comparable to Eisenhower becoming U.S. president in the 1950s.

After Deng Xiaoping, China's most senior leaders -- that is, Jiang Zemin and Hu Jintao -- rose to power without ever having served in the military. It is likely that those who follow Hu also will be bereft of military experience. And yet, the military -- the People's Liberation Army (PLA) -- is important to the maintenance of stability within China and holds a sizeable chunk of the government budget.

The military is an important player and these civilian leaders, who do not possess military experience, need its support. Unlike Mao and Deng, they can't compel this support by virtue of their own personal histories. Instead, they purchase this support with both policy and budget. They often defer to the PLA on certain core issues, such as Taiwan and Japan, which have high security and nationalistic content.

I would not say that the PLA has the upper hand politically, but the military is a non-trivial force in Chinese life and politics. One reason why the Chinese military budget has been increasing is because the PLA realized, particularly after the Balkan and Gulf Wars and the development of smart weaponry, how far behind it was in modern warfare.

Essentially, the Iraqi Army that was defeated in first Gulf War of 1991 was the PLA. The PLA was still armed with Soviet-era weapons. So the Chinese military really does have a need to modernize. The new generation of Chinese leaders, who do not possess military experience, may be cautious in pushing back against the PLA because they likely share the view that China must protect its important and growing interests in the world.

It's perfectly understandable why China's civilian leaders attach importance to the PLA's interests. Chairman Mao built industry all over China in the 1950s and 1960s. He spread it out not only for reasons of developmental equity, but also because he was afraid that China would be invaded by the United States, using Vietnam or Taiwan, or by the Soviet Union from the north. Consequently, Mao spread the economy all over the map of China, building factories in the least

accessible places so they couldn't be attacked by air or land. That makes fine sense if you're orienting your economy around a potential invasion.

But Deng Xiaoping wanted China to become a global economic power. He formulated policies that allowed old and new industry to be concentrated along China's eastern seaboard in order to reach out to the world through its ports. Deng essentially moved the core of China's GNP to the coast, where it now is concentrated.

PLA military planners, in turn, argued that China could not allow the next war to be fought in its coastal cities. That was where China's economy was concentrated, where its people increasingly lived, where the emerging middle class and most educated part of the population lived, and where the nation was most vulnerable to the air forces and navies of surrounding and distant powers, not least the United States.

They argued that the country needed a stronger navy that could push the conflict off the coast and an air force that could project China's power farther offshore and protect its navy. With the development of smart weapons and other considerations, the use of space became absolutely central for communications, intelligence, and real-time situational awareness on the battlefield.

Thus, for very defensible and understandable reasons, from the late-1980s to the present China moved its military modernization phase into domains that the United States regards as threatening. Historically, the United States has been most dominant in the air, on the world's oceans, and in space.

China inadvertently is challenging the United States. With respect to Taiwan, of course, the PLA consciously is trying to increase the threat to American naval forces so the United States won't support the island if China decides to use force against it. That's a direct challenge to American power. But much of the potential for friction derives from the simple fact that China is moving into zones where the United States historically has been dominant. Washington cannot be certain how these new, uncertain capabilities will be used.

USAPC: But in addition to Taiwan, China also seems to be directly challenging the United States, Vietnam, Indonesia, and the nations of Southeast Asia more generally by pushing its sovereignty claims to the South China Sea. Why now?

Lampton: I explored this issue while lecturing in Shanghai this past June. There appears to be an internal argument about how muscular China should be in translating its new power into more assertive policies. Some officials in the Ministry of Foreign Affairs and the economic ministries don't want China to overestimate its power and become too assertive.

They argue that Deng Xiaoping's policy, which emphasized a low-profile posture and the exercise of caution when Beijing behaved proactively, has worked well for the last 30 years. China, in this view, should be very cautious about flouting its new capabilities because that only will end up antagonizing big powers, like the United States, and scaring smaller neighbors in the PRC's neighborhood. Moreover, China still faces huge developmental tasks at home and cannot afford to squander resources because surrounding nations are becoming more apprehensive.

But there is another very strong point of view associated with the military, particularly China's Navy (PLAN) and the PLA Air Force (PLAAF). The PLAN naturally wants to secure more budgetary resources. And how does one do that? You argue that China's growing connections to and dependence upon the world require a much stronger navy. Specifically, the

country now imports around 50 percent of its petroleum needs, and about 80 to 90 percent of those supplies pass through the Strait of Malacca and come up through the South China Sea.

The PLAN therefore argues that it needs more capabilities to protect China's vital sea lanes of communication. Then, of course, the air force chimes in and argues that China cannot have more naval vessels in international waters without air cover.

The reality is that China is becoming more connected to the world and doesn't want to depend on the U.S. Navy to defend its oil supply. The United States may feel comfortable providing regional stability. But it's not hard to understand why the Chinese do not want half of their petroleum supply dependent on whether or not the U.S. Navy is friendly. So that's one thing.

Another factor influencing China's behavior is public opinion. I often hear from Chinese friends and associates that Americans do not realize the extent to which leaders in Beijing must listen to public opinion. There is a very active nationalistic dialogue on the Internet concerning the rights of China to defend its territorial claims and uphold its interests.

It may be surprising to many Americans, but often the Chinese government feels it must tamp down this excessive nationalistic rhetoric. But by the same token, it also is true that Beijing sometimes fuels that excessive nationalism, in part to bolster its own legitimacy but also out of fear of running afoul of popular passion.

The long and short of it is that if you look at any Chinese map, you will see nine dotted lines that go down through the South China Sea almost to Indonesia. This has been a historic claim for the People's Republic of China. It gets to the issue of the Chinese understanding of what is "China" and what China's military, in turn, should defend.

The South China Sea claims heretofore have not held the same status as Taiwan, Xinjiang, or Tibet. Currently, there may be some debate in China about the status of these claims now and in the future. Nonetheless, these are claims that Beijing has made for quite some time. Chinese leaders don't want to be seen by their public and their military as being weak and abandoning these territorial claims in the face of pressure from the United States or anyone else. This is a case where nationalism is feeding into what you might call bureaucratic and budgetary politics.

USAPC: On August 16, the U.S. Department of Defense issued its annual report to Congress on China's military capabilities. Among other points, the report stressed the importance of resuming military-to-military exchanges in order to avoid potentially devastating misunderstandings. Yet, the Chinese military has refused to resume these exchanges. Where do we go from here?

Lampton: Historically, every time there is a problem in U.S.-China relations, the Chinese reflex is to retaliate in some way, but without unduly harming their own interests. If Beijing were to retaliate in the economic area, this could be very dangerous because there are forces in the U.S. Congress who would like nothing more than to reply in kind.

More to the point, the Chinese don't want to get into economic warfare because to a considerable extent continued economic growth is essential to the legitimacy of the Chinese Communist Party. In terms of cultural exchanges, the Chinese certainly have benefitted greatly in recent years by having access to American universities.

Chinese officials often pick military-to-military exchanges as a way to retaliate or to show disapproval without incurring major damage to their core interests. In addition, the Chinese

military has been nervous about becoming too transparent to the U.S. military because American forces generally are stronger and many in the PLA fear that the United States will exploit any knowledge of PLA weaknesses that might be revealed through such exchanges. And finally, to the degree that Beijing pursues asymmetrical strategies, keeping the United States uncertain seems like the better part of discretion.

Generally speaking, the United States as the stronger power has favored transparency. Many U.S. military experts contend that if the Chinese see real evidence of our power, they will be more reluctant to confront it. To some extent, transparency is deterrence for the United States. But China, as a traditionally weaker power, has regarded transparency as part of U.S. intelligence-gathering operations.

Sometimes the United States also has used military-to-military exchanges to retaliate, as we did in response to the June 4, 1989 violence in Tiananmen Square. The administration of George H. W. Bush did not want to harm bilateral economic relations at that time, but felt that Washington had to do something because Americans were outraged by what had happened in China.

So, President Bush used his authority and Congress passed certain legislation that stopped military sales, military exchanges, and other high-level leadership exchanges. Both sides have used the military relationship to express dissatisfaction with each other, but I would say the Chinese tend to do that more often than we do.

In any case, military-to-military exchanges are important and should be resumed, and the Pentagon's August 16 report seeks to convey that message to the rest of the U.S. government, the U.S. Congress, and the Chinese government. But it also is my impression that the entire U.S. military does not necessarily agree about these exchanges. There continues to be internal debate.

One camp argues that military-to-military exchanges would enable the United States to understand better how the PLA looks at the world, what its basic doctrinal and philosophical orientation is, and how it views the use of force. I associate myself with that school of thought. I think these exchanges are very important -- not because we're going to find out technological secrets -- but because we'll get an avenue into the PLA's thinking and hopefully be able to build more confidence.

In addition, the exchanges enable key individuals on both sides to become acquainted with each other so that if a crisis develops, one can pick up the phone and talk to the right person. The underlying rationale for military-to-military exchanges might be described as mutual understanding.

The other camp, however, argues that the PLA gets more out of these exchanges than we do. There should be "reciprocity," they contend. This means that if we show the Chinese a nuclear submarine, they, in turn, would show us a nuclear submarine. But the Chinese, for reasons I just explained, have been reluctant to do that.

In sum, there are elements in both militaries that are nervous about these exchanges and there are other farseeing elements in both militaries that are rather supportive of them. But overriding this, U.S.-China relations seem to go through this cycle of problems followed by warming ties. Military exchanges usually are the first to feel the coolness and the last to feel the warmth.

USAPC: According to some reports, Chinese officials evidently were taken aback at the July meeting of the ASEAN Regional Forum (ARF) by the extent of support among

members for the U.S. position urging resolution to sovereignty claims in the South China Sea in accordance with maritime law rather than through coercion.

Some Chinese have sought to portray this development at ARF -- plus the efforts of Indonesia, Malaysia, Vietnam and others to beef up their militaries and the Obama administration's generally expanded outreach to the region -- as elements of a broader U.S. containment strategy. What is your view?

Lampton: Let's get our terms straight. During the Cold War, "containment" meant that the United States had virtually no intellectual, economic, or other intercourse with the PRC.

There certainly were not Chinese students at American schools during that period. This also meant that there was virtually no importation of anything with a "Made-In-China" label on it. There were no high-level contacts between leaders of both nations. There were no ties among localities, firms, NGOs, and other members of the two nations' communities. Moreover, the United States formed alliances with nations along China's periphery that were aimed explicitly at the PRC.

Beijing may suspect that Washington is pursuing a containment strategy. However, you cannot describe as containment the fact that we currently have allowed as many as 120,000 Chinese students to study at U.S. universities, the fact that we have borrowed nearly \$1 trillion from China, and the fact that we have allowed our single-largest trade deficit to be with China. I wish the Chinese would get the term containment out of their vocabulary. It is not a useful concept.

China, indeed, is becoming stronger and its smaller neighbors worry about this for historic reasons. The United States did not create this concern. The Vietnamese, at least in their own view, have about 2,000 years of reasons to be worried about growing Chinese power. There also is a very complicated relationship between China and Burma. Certainly, India is concerned about China's rise by virtue of their territorial conflict, among other things.

Some nations throughout Asia have their own reasons to be cautious about China's rise, but at the same they see huge opportunities in China's growth. This duality of opportunity and concern is difficult to manage. They want to seize the economic opportunities, but they don't want to become dependent on China. They are aware that as China's economy grows, its military strength also will increase.

And the stronger that China becomes, the more the PRC's neighbors want to make sure that the United States doesn't "leave" the region – although we have absolutely no intention of doing that. As one Indonesian said to me, "We don't want your bases. We don't want you in our 'house.' But we do want you standing out on the sidewalk in front of our 'house.'" Because the United States is far away, we are less threatening. Our long-standing national purpose has been to reassure the region by keeping the power balances in rough equilibrium.

Many Asian countries were worried that our domestic economic problems would compel Washington to reduce America's regional presence. That is one reason why Secretary Clinton's first overseas trip was to Asia. The Obama administration has done a good job of clarifying that we will be in Asia in a meaningful and constructive fashion for the long haul. Secretary Clinton has emphasized the multilateral commitment of Washington.

With respect to developments at the July meeting of the ARF, I understand that the Chinese foreign minister was somewhat caught off guard. The ASEAN members presented about a dozen different sets of remarks, but virtually all of them reached a conclusion largely consistent with that of the United States. Chinese officials responded in a somewhat defensive way because

they apparently didn't fully anticipate what Secretary Clinton would say and they certainly did not expect the degree of support for the U.S. position among ASEAN members. Beijing would prefer to deal with smaller neighboring states bilaterally rather than as a consolidated multilateral negotiating entity.

I hope that the Chinese will regard all this as a warning flag and reassert, re-proclaim, and re-energize what you might call the low-profile policy of the past. This low profile, gradually more proactive, moderate foreign policy has served the PRC well for 30 years and it can serve Beijing well for another 30.

Otherwise, overly assertive actions by China will cause big powers, like the United States, to develop their counter-capabilities and compel the smaller Asian countries to seek the offsetting presence of big-power militaries. This could lead to an arms race and other potentially destabilizing developments that ultimately would not be in China's interests or in the interests of the region or more distant powers.

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