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Hong Kong, China, and the World

The Honorable Henry J. Hyde

KEN SHEFFER: Welcome to The Heritage Foundation luncheon in honor of the Honorable Henry J. Hyde, Chairman of the House International Relations Committee, and his bi-partisan congressional delegation.

I am Ken Sheffer, Counsellor to the President of The Heritage Foundation and Heritage's representative in Asia. On behalf of Foundation President Ed Feulner, it is my pleasure to welcome you all and to thank you for coming to what I know will be a thought-provoking and insightful event.

First of all, I would like to thank Chairman Hyde for being with us here today in Hong Kong. It is truly a great honor to have you here. I know the guests are looking forward to your speech and hearing what will be a perceptive analysis of democracy, China's rise, and what it means to the world.

I would also like to welcome the Honorable Anson Chan, who is my co-host at this Heritage event today. Dr. Chan currently serves as a member of the Advisory Board of the Asian Studies Center at The Heritage Foundation. And as you know well, she was a highly distinguished senior civil servant and served as the first Chief Secretary for Administration of the Hong Kong Special Administrative Region Government. Dr. Chan is a special leader of great vision and strength of conviction—much like our speaker today. She is admired across the globe and especially by her colleagues at The Heritage Foundation. Thank you, Anson.

I would also like to welcome and thank the members of Chairman Hyde's bi-partisan delegation and

Talking Points

- No longer commanding change but striving to contain and direct it, China's regime is trying to preserve an authority that is increasingly overridden by the dictates of the marketplace and the plans of its increasingly autonomous citizens.
- China's economic prowess is making possible rapidly expanding military capabilities and political influence. These must inevitably bring with them the temptations of an increasingly ambitious agenda.
- Taiwan is not merely a democracy, but a Chinese democracy, brought to life in a culture once thought inhospitable, imposed by no outside power, and sustained by the people themselves.
- Few can doubt that, if the people of Hong Kong were allowed to determine their own future, the transition to full democracy would happen both quickly and peacefully. The unique status and relative freedom of this former Crown Colony have made it the preeminent testing ground of the possibilities of China's political evolution.

This paper, in its entirety, can be found at:
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the distinguished group of congressional staff and military officials who have joined him here today:

- The Honorable Ed Case, Representative from Hawaii, and Mrs. Audrey Case
- The Honorable Eni Faleomavaega, Representative from American Samoa
- The Honorable Darrel Issa, Representative from California, and Mrs. Kathy Issa
- The Honorable Dana Rohrabacher, Representative from California
- The Honorable Jesse Jackson, Jr., Representative from Illinois, and Mrs. Sandra Jackson

Once again, welcome and thank you for coming. We are pleased to have such a distinguished group visit Hong Kong.

The Heritage Foundation is a public policy research organization, or “think tank.” Our expert staff—with years of experience in business, government, and on Capitol Hill—doesn’t just produce research. They generate solutions consistent with our beliefs and market them to the Congress, the executive branch, the news media and others. These solutions build on America’s economic, political, and social heritage to produce a safer, stronger, freer, more prosperous nation. And a safer, more prosperous, freer world.

A key facet to Heritage’s work is our focus on international relations. As part of our work in this area, The Heritage Foundation has recently established the Douglas and Sarah Allison Center for Foreign Policy Studies in Washington, D.C. The center, which is named after Douglas and Sarah Allison of Bloomfield Hills, Michigan, who have pledged to fund the center, will strengthen Heritage’s already formidable foreign policy research and analysis.

And as many of you know, our commitment to Asia remains strong. A vital part of our international relations work is Heritage’s Asian Studies Center. Now in its 21st year, the Center’s influence continues to span the Pacific. Its aims are the same today as they were when it began—namely, to help U.S. policymakers better understand the region. This session is part of that process.

HON. ANSON CHAN: Ladies and gentlemen, it is a particular pleasure for me as a member of the Advisory Council of The Heritage Foundation’s Asian Studies Center to introduce a true American statesman, the Honorable Henry J. Hyde, Chairman of the Committee on International Relations of the U.S. House of Representatives.

Chairman Hyde has been a member of Congress from suburban Chicago since 1975, and in the intervening three decades, he has become one of America’s most respected, thoughtful, and influential legislators.

During his distinguished career, he has focused not only on domestic policy, especially law enforcement and judicial issues, but also on foreign policy. His experiences as a young man serving in the U.S. Navy during the Second World War in the Pacific and the Philippines ingrained in him a profound concern for the future of the Pacific Rim—and especially China, which has become the new regional power in East Asia.

As chairman of the House International Relations Committee, Congressman Hyde has played a key role in America’s war on terrorism, where he has been involved in crucial debates about how the country must respond to the terrorist attacks of September 11, 2001.

I will not recount the Chairman’s lengthy and impressive biography, because I think it is well known to most of our American friends in the audience, but we in Hong Kong are particularly fortunate that, with the entire spectrum of American foreign policy as his responsibility, he has taken a keen and profound interest in the emergence of China as a global power.

In 2002, the Chairman delivered The Heritage Foundation’s annual B.C. Lee address, entitled “The U.S., China, and the Future of East Asia,” in which he described for us the issues involved in China’s growth.

Today, Chairman Hyde will expand on these themes in what I believe will be another thoughtful analysis of China’s rise and his view of what this means for all of us in Hong Kong and the world. On behalf of the Asian Studies Center, I wish to say how honored we are that he has cho-

sen The Heritage Foundation as the forum for these thoughts and also how delighted we are that he has come this long way to deliver the speech in Hong Kong.

Please join me in giving a warm welcome to Congressman Henry J. Hyde.

HON. HENRY J. HYDE: I would like to begin my remarks by expressing my appreciation and that of the entire delegation to The Heritage Foundation for sponsoring this event, and especially to Ken Sheffer. We are old friends of the Foundation. Heritage deserves great credit for its long-standing efforts to trumpet the economic freedom that has made possible Hong Kong's celebrated prosperity and that provides a ready model for others who wish to duplicate the wondrous accomplishments realized on this once-stony ground.

Let me also express my thanks to Ms. Anson Chan for her gracious introduction and to Consul General James Keith and his dedicated staff at the American consulate who have expended great effort on our behalf.

* * *

Of the many competing forecasts of the century now unfolding, all agree that the rise of China will be a central determinant of its course. So great is China's potential that some have prematurely termed this the "Chinese century." Once hazily distant, that imagined prospect is rapidly becoming a tangible reality right before our eyes.

In its scale and speed, in the ambitions of its leaders and hopes of its people, this development is unprecedented. Far from maturing into a more settled pace of change, the rate appears to be accelerating and broadening as more and more of the country is drawn into the modern world. The process can be compared to the birth of a new and enormous star, its internal temperature soaring as a critical mass rapidly accumulates to the point of ignition, its gravitational waves already beginning to realign the heavens around it.

Were China a country of modest size, this process would be an interesting, even fascinating, one, with soft ripples of influence confined within near-by horizons. But China is one-fifth of humanity. Its

enormity ensures that there can be no insulating boundary between its internal transformation and the world outside. Our attention is focused on the dramatic developments within that country, but we are simultaneously witnessing the emergence of a new and powerful actor on the global stage, one whose actions and decisions will reach deeply into every country on the planet.

Whether that impact will be positive or negative, cooperative or combative, cannot yet be predicted with any confidence. That will in large part be determined by the evolution of China's political system, which is being pried loose from its moorings by the swirl of the enveloping currents. But the leadership has yet to set a clear course for itself or the country or to identify a safe anchorage.

A central fact of China's revolution is that it is becoming ever more undirected. Despite increasingly strenuous efforts by a once all-powerful regime to preserve its control in all areas, its reforms have released powerful and transforming forces that by their nature are uncontrollable. Playing an ever more reactive role, no longer commanding change but striving to contain and direct it, the regime is trying to preserve an authority that is increasingly overridden by the dictates of the marketplace and the plans of its increasingly autonomous citizens.

Into the World

The immense complexities and dangers of the next phase of reforms and the rapid accumulation of systemic problems and pressures ensure that the attention of the regime will remain focused inward for some time to come. During this period, its priorities in its foreign policy will remain governed by the need to ensure stability in its relations with the rest of the world so that the country's internal development can proceed unhindered. A more comprehensive international agenda must wait.

Yet China's rapidly rising power is already extending its influence around the world long before it or the world is ready.

This is most evident in international commerce, where the country's seemingly inexhaustible capacity for economic growth is producing

unsettling effects in countries all around the globe. And it is doing so with little deliberate intent by the government.

This phenomenon will only increase as China's economic ascent inevitably endows decisions made by its leadership regarding purely domestic matters with increasingly far-reaching effects on the world outside. Ignorance of, or indifference to, this interconnection by the Chinese leadership is certain to result in a negative impact on the fortunes of the globe, and eventually on their own as well, as the rising debate over the exchange rate attests.

Permeable borders and integration into the world and its economy will rudely awaken those in the leadership who dream of combining a lordly autonomy with increasing prosperity. Many hard lessons await those who fail to comprehend that the advancement of their own interests requires an understanding of the interrelationship between their actions and the well-being and forbearance of the rest of the world.

Nevertheless, in every country, the fool's gold of pure selfishness seduces many with its promise of unshared treasure, and we cannot be confident that the leadership in Beijing will soon accept that their country's interests cannot be secured if paired with an indifference to the fortunes of others.

Transforming the World

Because of its enormous size, China cannot fully enter the world without transforming it, even when it is an entirely passive actor. But passivity is unlikely to become a defining characteristic of its foreign policy. China's economic prowess is making possible rapidly expanding military capabilities and political influence. These must inevitably bring with them the temptations of an increasingly ambitious agenda. The salient question is how China will choose to employ its new and unfamiliar power.

China's expanding reach will ensure that its relationship with the United States steadily expands in terms of issues, opportunities, and dangers. This is already evident in East Asia, where China's advent has initiated a sober recalculation of interests by

the countries in the region and where the U.S. continues to assume a prominent role in ensuring the region's security. A collision is far from inevitable, but only if both countries actively seek to avoid it.

The deepening changes in East Asia only hint at what is to come. China's impact will be a truly global one and is certain to refashion many of the patterns and relationships of the post-World War II international system. Even if China treads lightly, this familiar post-war order will be significantly altered by its presence, perhaps even displaced by something much different, and with unpredictable results.

For over half a century, the U.S. has been the most important actor in the global system of states. America's immense resources and its towering position made possible by widespread devastation elsewhere allowed it to extensively refashion the post-World War II international system. Few areas escaped its reach, often with dramatic results. The rise of a peaceful, free, cooperative, and united Europe wholly at odds with its long history occurred under the protection, direction, and encouragement of the United States and could not have come into being without it. In East Asia, a similarly ahistorical period of relative peace, security, and cooperation was established and defended, creating an environment in which the advance of political freedom and the series of economic "miracles" was made possible. It cannot be said that the United States was responsible for the region's wholesale transformation, but this could not have taken place without its protection, encouragement, and permanent engagement.

But the most important feature of the post-war international order has been the willing acceptance by the United States of the principal responsibility for ensuring the stability and security of the international system as a whole, to be accomplished multilaterally if possible, but unilaterally if necessary. Some may regard this self-created role as arrogant paternalism or even imperialism, but none can deny that it has been intrinsic to the establishment and maintenance of the existing international order.

For all of its undoubted benefits, in many ways that global reach has been too sweeping, and too successful. After six decades, most countries, including close allies, have become accustomed to the U.S. tackling the world's security problems while they devote their attention to promoting their own, more narrowly conceived, interests. Whether it be North Korea, Colombia, the Arab-Israeli conflict, the Balkans, Libya, the confrontation between India and Pakistan, the Caucasus, or anywhere else, most of the world reflexively assumes that the U.S. will take the lead in addressing whatever problems arise.

The current standoff with North Korea is illustrative. The situation there is quite peculiar in that all of the immediately surrounding countries, to say nothing of others more distant, assume that this problem is primarily the responsibility of the United States to resolve. The rest of the world watches as interested spectators, intrigued by the standoff but without any thought given to providing more than commentary and perhaps the occasional quiet support. Any country seeking a muscular role to help eliminate this threat to the world's security would be looked upon by all as strange indeed, and its stated purpose would be subjected to minute and cynical scrutiny to unearth its true and hidden motives.

That is the world in which China's emergence is taking place and which it may soon be instrumental in transforming.

Those who decry the unilateral efforts of the United States as arrogant and pernicious often express their preference for the benefits of a multipolar world in which the rise of China and other aspirants will offset the hitherto unrivaled power of the United States. They may soon get their wish. With the emergence of each new major actor, the ability of the United States to act unilaterally will be further constrained.

It is unclear what, if anything, will replace the United States' role as guarantor of the security of the international system. The reflexive answer of cooperative, multilateral efforts among like-minded countries is a vision based more on hope than history.

In fact, it is difficult to identify many instances in the past several decades where any single power or coalition other than the United States assumed the primary responsibility for dealing with a major challenge to the international system or to regional security. Even in the Balkans, our wealthy, powerful, and ambitious allies in Europe waited impatiently for the United States to direct its attention and resources to solving a problem in their own backyard, one that they could easily have addressed themselves had the political will existed. But they assumed that rescue would come, and they were once again proven correct.

If this is indeed the case, and the assumption is a modest one, a foreordained result to the diminishing role of the United States is a world considerably less orderly and more chaotic. Perhaps this is a good thing. It may be an inevitable thing. But in a multipolar world, the familiar and comfortable patterns and security guaranteed by a single power will give way to conditions more akin to those of the balance of power.

The Return of the Balance of Power

The balance of power is a ubiquitous phenomenon in history, generating incentives, calculations, and pressures that are strikingly similar throughout widely separated eras and locations. All are inherently unstable, all are animated by constant maneuvering, all militate against broad cooperation, all encourage suspicion, preemption and miscalculation.

But the defining characteristic of a true balance of power is the absence of a guarantor of the integrity and security of the system as a whole. Endless compacts and professions of cooperation, embellished with solemn pledges of commitment to the general welfare, litter the history of these untutored anarchies. Far more common is the pursuit of self-interest motivated by avarice or fear and with little regard for any impact on the enveloping whole.

In this new world, if stability and security are to be secured to any useful degree, a truly collective and cooperative sharing of general responsibility will be required. This weak reed can be but a poor substitute for a committed actor such as the U.S.,

and will work only to the extent that the major countries subsume the pursuit of their narrow interests to those of the common good. For this brave new order to have any chance of success, China must take a prominent role in assuming responsibilities and committing resources.

Warning Signs

I regret to say that many of China's current policies provide little encouragement. In truth, many are quite disturbing. This is dramatically evident regarding the proliferation of nuclear weapons, technology, and expertise, which poses an unparalleled threat to the world and which every responsible state has a stake in halting.

Currently, both North Korea and Iran are attempting to arm themselves with nuclear weapons. The United States has taken the lead in trying to prevent this frightening prospect from becoming a reality, but it has thus far received only modest assistance from others.

China's actions have fallen between offering begrudging help and doing outright harm. In North Korea, China possesses vastly greater influence than it modestly claims and could, if it wished, bring far greater pressure on a regime which would in all likelihood be unable to survive without China's support and the unobstructed transit of food and fuel across their shared border. And yet despite repeated requests, China has brought only the mildest pressure to bear on Pyongyang, and with very limited results. Frustrating the United States in its efforts and entangling it indefinitely may have its attractions to Beijing, but the result has been to allow and even encourage a dangerous and unpredictable regime to progress in its deadly efforts. Does the Chinese leadership genuinely believe that a nuclear-armed North Korea will never pose a threat to it?

In Iran, the militant theocracy has expended great effort and resources on secret programs over the past two decades in its determination to acquire nuclear weapons. The consequences of success would be alarming, with transfers to terrorists and others suddenly made possible. A loss of control due to domestic disturbances or the operation of autonomous actors, such as those in

Pakistan who peddled their nuclear wares without serious restraint, will remain permanent threats. But even as the United States attempts to persuade the international community to take action to prevent this extraordinary threat to the world from becoming a reality, Beijing has made clear its determination to veto any effort to engage the United Nations. This stunningly short-sighted and irresponsible position may result from the short-term attractions of currying favor with a potential ally that is becoming increasingly important in terms of China's growing need for oil. But the cost will be the emergence of a permanent threat. Nuclear weapons in the hands of terrorists are as easily employed against Beijing and Shanghai as they are against Washington or Tel Aviv. Once Iran has possession of them, that threat will never go away.

I will refrain from addressing the frightening impact that China's aid to Pakistan's acquisition of nuclear weapons has had on the world except to say that the requisite technology and expertise have now been disseminated around the world. Is it at all possible that the leadership in Beijing believes that they and their country are permanently immune from the effects of this profound degradation of the world's security that they have been instrumental in bringing about? I am truly at a loss to explain it.

Such behavior illustrates the dangers of ignoring the relationship between one's own interests and those of the wider world. Beijing may in fact have acted with complete unconcern for the consequences on others of its pursuit of these selfish objectives, but it has thereby dramatically degraded its own security and probably done so indefinitely.

These and other acts detrimental to the world's security may be attributable to simple short-sightedness or to the casual irresponsibility produced by a false assumption of permanent security. But as China evolves from a regional power into a global power, its ability to deliberately or inadvertently undermine order and stability in the international system will grow as well. China could well upend the whole, becoming a revolutionary power blind even to the consequences for itself. Or it could become an ally in a cooperative effort to reinforce the security of the international system as a whole.

In large part, the course will be determined by the nature of the political system that ultimately emerges in China.

Who Will Rule in Beijing?

In discussing the evolution of China's political system, there is no reason not to be blunt: Communism is dead in all but name. This fact is universally recognized in that country, even if it cannot yet be freely voiced. While liberation from a ruinous ideology has allowed reforms to take place, it has also resulted in a growing problem for the regime whose legitimacy is based upon that very ideology. This foundation is undoubtedly eroding, but it remains unclear what will follow. For the present, however, Beijing's position appears to be secure as long as economic growth continues. But all are aware that the absence of compelling pressures is but an interim period.

Forecasting the course of this evolution is made too uncertain by the leadership's determination to prevent or postpone any significant changes to its position and authority, however precarious these may become with time. But any fallback position resting on an indefinite rule by force is not a realistic option in an increasingly dynamic, wealthy, and complex country, however tempting its seeming simplicity.

But for those free from these intellectual constraints, it takes little effort to sketch out any number of paths. Two possibilities worthy of greater attention are a sustained progression toward greater liberalization and democratization or toward an aggressive nationalism.

In the United States, we believe that, ultimately, legitimacy derives from the people, from the "consent of the governed. But the experience of the past century, to say nothing of human history in general, provides little reassurance that sufficient numbers in other countries share this conviction. Other, more traditional, motivating forces exist, with nationalism occupying a position of prominence.

Nationalism in the form of patriotism and love of country is certainly not a bad thing. But in its virulent form, it can be wielded by a regime deter-

mined to hold onto power to mobilize a population toward breathtakingly destructive ends.

The instructive parallel is with Hohenzollern Germany in the early 20th century, where an increasingly developed, rich, and even democratic country was led into destruction by a leadership mesmerized by an aggressive nationalism. That government knowingly upended the long European peace in pursuit of its "place in the sun." The result was a carnage that engulfed the continent, slaughtered millions, and destroyed the European order, never to be restored.

A Hohenzollern China would dramatically magnify the scale of potential disaster. Even in its present incarnation, the government in Beijing is pursuing many policies which are inimical to the security of the world and to its own people. Driven by the overheated ambitions of an intoxicating nationalism, China's growing power would bestow upon it a capacity to ignite a global catastrophe.

The far more benign prospect for China and the world is the democratic one. By itself, democracy guarantees little, but the record of those countries counted among its ranks has been one of extensive cooperation and the proscription of conflict among themselves.

However, even the faint beginnings of democracy are not welcomed by the current leadership which is alert to the danger this presents to the regime's eroding legitimacy. Submitting a foundational claim of ruling in the name of the people to a free vote by the people is a test all authoritarian regimes rightly fear.

Taiwan's Model

Nevertheless, a highly relevant model of a gradual transition to democracy over time is that of the Kuomintang government on Taiwan. As is well known, the communist party and the Kuomintang were established at the same time and in the same environment, both constructed on a highly centralized, Leninist pattern. Eventually expelled to Taiwan and forced to focus its attention within more limited horizons, the Kuomintang eventually began to slowly reform, increasingly relaxing its control under Presidents Chiang Ching-kuo and

Lee Teng-hui, and slipping from authoritarianism in extended stages in a process made possible by economic success and social stability. Eventually, the line to actual democracy was safely crossed by the year 2000 when the once-dominant Kuomintang dutifully yielded the presidency to the candidate of the Democratic Progressive Party after a hard-fought election and lost its decades-old majority in the legislature to opposition parties in the parliamentary elections of 2001.

Taiwan is a small island, but the advent of democracy there nevertheless is of momentous consequence. For throughout the past century and before, the reigning wisdom both within China and in the West was that democracy was not possible in that country and that any attempt to install it would result in failure and anarchy. Even today, China's leaders and others assert similar claims, stressing democracy's inherent foreignness and the threat to economic growth and modernization from the widespread instability that any move toward it would allegedly produce.

Taiwan's experience, however, has proven these endlessly repeated pronouncements wrong. Taiwan not only steadily evolved toward democracy without major social unrest or economic failure, but has in fact thrived. Its democracy passes not merely the minimal test of the popular election of a president and parliament, but the true and rare test of a peaceful succession to office by an opposition party. But of supreme importance is that Taiwan is not merely a democracy, but a Chinese democracy, brought to life in a culture once thought inhospitable, imposed by no outside power, and sustained by the people themselves. And it is thriving.

Ultimately, however, Taiwan's experience is largely contained within itself. Its influence on the rest of China is confined primarily to its role as a model and a demonstration of what is possible, with only a limited direct impact on the unfolding of events on the mainland.

Hong Kong

It is in this context of China's rapid transformation, its growing power in the world, a potential reordering of the international system, and the

uncertain prospect of an open-ended political transition in Beijing that developments in Hong Kong take on special and profound importance for itself, for China, and the world. The stage is a global one.

Despite their many similarities, Hong Kong's situation is fundamentally different from that of Taiwan. Although Hong Kong enjoys a special status and considerable autonomy, it is closely linked to the rest of the country by a thickening array of connections, with the lines of demarcation becoming increasingly blurred. Of greater importance, however, is that Hong Kong is ultimately subject to Beijing's control and must operate within parameters imposed by the distant capital.

In sharp contrast with Taiwan, where political reform and liberalization enjoyed sustained government sponsorship, in Hong Kong the push has had to come from the people themselves, with the government actively attempting to slow or stop altogether any further advance.

I am certain that the standoff that has arisen is dispiriting to many here, especially as the prospects for further progress remain uncertain. Nevertheless, despite the obvious setbacks, I am greatly encouraged by the events to date, especially the courage and determination to persevere that has been repeatedly demonstrated by the people of Hong Kong. Clearly, the commitment to democracy has already sunk deep roots. Despite the proliferation of officially sanctioned obstacles, few can doubt that, if the people of Hong Kong were allowed to determine their own future, the transition to full democracy would happen both quickly and peacefully.

We must hope that they will continue to press forward toward their great objective. For even if not all of the players are conscious of the stakes beyond the territory's borders, Hong Kong has become an arena for an unavoidable struggle, one with global implications, where rival forces are locked in a battle to determine which of their visions for China's political evolution will prevail.

Beijing's Opportunity

Despite Beijing's sharpening opposition to further progress toward democracy in Hong Kong, I

believe it would be a mistake to assume that the government's intentions are malign or its plans unalterably fixed. In fact, there is little evidence of any firm plans at all for the region's political future beyond a continuation of the status quo.

Valuing order and the preservation of its authority above all things in a time of great change, Beijing must view the inherent unpredictability, impatient demands, and naturally exuberant turbulence of a free people as potentially threatening a precipitate loss of its control over the region and presaging an open challenge to its legitimacy. Its shallow confidence in the resilience of its authority betrays a profound mistrust of the electorate's aspirations, and indicates a deep concern that the people's preferences for their futures are likely to clash with Beijing's own plans. As a result, the regime's actions have been heavy-handed in large part due to its belief that it must make an unambiguous statement regarding the limits of tolerance drawn by its anxieties.

Yet even as we instinctively side with Hong Kong's desire for greater freedom and republican self-government, and view with dismay the government's intransigence, it would be a mistake to simply assume that the leadership in Beijing cannot be persuaded of the relative merits of alternative approaches to political reform beyond repression or enforced stagnation, even if its calculus differs markedly from that of Hong Kong's. Assumptions of a permanent antagonism are likely to become a self-fulfilling prophecy.

In discussing the regime's handling of Hong Kong, we must always remember to place it in the context of its policies toward all of China. We are all aware of the mounting unrest and systemic problems besetting the regime, from demonstrations by unemployed workers and discontented farmers to mass internal migrations, bankrupt state enterprises, and an increasingly precarious financial system. Major structural reforms must be undertaken, none of which can be accomplished without considerable risk, pain, and dislocation. And without some element of sheer guesswork. The fear is that these and other worrisome developments may coalesce into a general crisis for the country and for the regime.

But the regime's animating concern is not merely to secure the narrow victory of its own survival. Of equal or greater importance is its belief that it bears the immense responsibility for guiding China into the modern world. In its own eyes, it simply cannot risk initiating fundamental and unpredictable changes that might undermine the country's stability and derail its continued progress. The catastrophes that beset China throughout the 20th century, culminating in the upheavals and devastation of Mao's long reign, endow the specter of chaos with a commanding presence.

Despite this instinctive conservatism, I would be very surprised to learn that the leadership in Beijing is so naive as to believe that China's political system can forever withstand the pressures to evolve imposed by an increasingly complex, autonomous, and self-directed society. But as noted above regarding Hong Kong, I am equally certain that the regime possesses no definite plan to steer that process. The lack of a clear vision for the country's political evolution denies it the ability to direct change into its preferred channels, thereby ensuring that decision-making will be dominated by a reflexive opposition to innovation and the uneasy hope that the country's continued development will allow difficult decisions to be postponed indefinitely.

The parallel with the desiccated imperial government at the end of the 19th and the beginning of the 20th centuries is instructive. Seeking above all else to prevent any form of political modernization and further diminishment of its evaporating control and precarious station, the efforts of the court to enforce a rigid stasis doomed it to oblivion and the country to anarchy and upheaval.

Although a similar cul-de-sac is far from a foregone conclusion, I have to assume that the more far-sighted of the leadership understand that, if the regime's control is to be reliably maintained during a time of great change, a strategy for a gradual adaptation to the tide of change is a necessity.

We can be fairly confident that full democracy has been ruled out as a desirable goal by those currently in charge in Beijing, even if the example of Taiwan has proven its feasibility in a Chinese

setting. But rigid opposition to change and a surrender to events that the lack of direction guarantees are likely to bring about the very instability and loss of control that the regime fears most. If the great ambition of modernization is to succeed, it must eventually include the installation of a modern government.

For those unwilling to rely on hope or inertia but lacking a consensus among the leadership, the key question is how to safely experiment with smaller innovations in realistic settings that meet the regime's dual requirements of maintaining control while ensuring continued modernization.

Fortunately, a ready-made laboratory is already at hand.

The Testing Ground

Whether or not the people of Hong Kong and the government in Beijing wish or even recognize it, the unique status and relative freedom of this former Crown Colony have made it the preeminent testing ground of the possibilities of China's political evolution, the most difficult and important test being whether greater freedom and democracy can be made compatible with the regime's insistence on order and stability. Its small scale, special status, and advanced development make it a fertile plot for experiments involving mixes of institutions and authorities while allowing for the joint dangers of success or failure to be contained.

We must assume that both sides are rational and seek to ensure a prosperous and secure future for Hong Kong, however different their visions.

The leadership in Beijing is unlikely to believe that Hong Kong's people will simply abandon their ever more deeply rooted desire for greater democracy or meekly submit to repression. But with its legitimacy and authority increasingly questioned throughout China, Beijing fears the consequences in this larger theater of appearing to back down on further democratic reform and allowing Hong Kong to determine its own future.

For their part, those pressing for greater democracy and republican government can be under no illusion that Beijing can be compelled to give way

to their demands. Any contest of force would undoubtedly be won by the regime. But it is just as certain that if the population abandons its pressure or adopts too submissive an approach, the prospects for democracy will fade to nothing.

If we assume that chaos or repression are unacceptable outcomes to both sides, the question becomes: Is there a route by which Hong Kong can become increasingly free and democratic without challenging the regime's ultimate authority and thereby provoking a forcible response? And will the government and the people of Hong Kong allow this to happen?

There are several prerequisites for success, the most basic being some minimal level of sustained cooperation—or at least tolerance—between the two camps, which their mutual suspicion will always threaten to unravel. On that precarious foundation, forward movement would require simultaneous progress toward three separate and somewhat contradictory goals: 1) a gradual and continuous expansion of freedom and democracy, including increasing control by the people of Hong Kong over the territory's government by means of their elected officials; 2) the preservation of order and stability and the absence of overt challenges to Beijing's authority; and 3) maintaining strong economic growth. A significant failure in any one of these would probably be sufficient to eventually undermine them all.

The problems are immediately obvious. By definition, greater freedom means fewer restraints on behaviors of all types, including challenges that the government feels it cannot allow to go unanswered. And given that progress toward democracy will come only by pressure from below, any success is likely to encourage an exhilarating sense of victory on the part of the democratic forces and an escalation of their demands. Obviously, self-restraint of some type is required on the part of the democratic movement, but who among its splintered ranks professes the authority and ability to issue orders?

For its part, Beijing must choose to allow the gradual implementation of a plan, whether explicit or implicit, which aims at replacing its unnecessary

ily overbearing rule with an extensive political autonomy for the people of Hong Kong and the freedom to elect their own government, albeit within a framework of ultimate authority remaining in Beijing. Accepting this endpoint in advance would require a high level of trust by Beijing in the population's good sense and ability to manage their own affairs, a trust that the leadership has shown no evidence of granting to anyone outside its own corridors.

And through it all, strong economic growth must continue despite the uncertainties and guaranteed disagreements and confrontations. I do not know what choice Hong Kong's population would make if they believed that democracy and economic growth were incompatible goals, but we must hope that this false choice is never forced on them.

A Shared Interest

To an outside observer it would appear that, despite their mutual suspicion, the government in Beijing and the people of Hong Kong share a deep interest in the former Crown Colony's gradual and steady political liberalization, with Hong Kong becoming increasingly confident of achieving its ultimate goal even as Beijing remains confident of preserving the stability, predictability, and recognition of its authority that is its nonnegotiable requirement. And both share an interest in cooperating to ensure Hong Kong's economic future is secured.

The obstacles are relatively simple to describe, the outline of solutions less so. The greatest difficulty is likely to be how any agreement can be reached. Because the advocates of greater democracy and republican government constitute a diffuse and fractious movement, and not a unified organization of disciplined ranks, there is little prospect for an explicit, negotiated "deal" that is widely recognized as authoritative. Even were Beijing desirous of doing so, with whom would they negotiate, other than nominees of their own choosing?

If no formal deal, no contract can be negotiated, then progress can only occur step-by-step in cautious advances from one interim goal to another. Forward movement will be held hostage to a coincidence of beliefs that each side's basic requirements are being addressed. The mutual deference

necessary for any real headway will always be predicated on the need for both sides to avoid the appearance of impotence or a loss of face.

And the indispensable element of trust will have to be earned by both sides.

Success in this Long March of short steps would demonstrate its applicability to the rest of China as a model of how political liberalization can be reconciled with enhanced stability and the uninterrupted advance toward China's rebirth. For those in the leadership in Beijing who understand the wonders that political liberalization would make possible for China, this is the best opportunity they are likely to have of mapping out a path through a treacherous and unexplored terrain. For those in Hong Kong desirous of greater control over their own lives, it is difficult to see another path leading toward a goal that at times must seem utopian.

The World Watches

The entire world has a vital interest in ensuring that China's rising power is channeled into productive directions and away from the threat of a revolutionary impact that would wreak havoc on the international system in which its presence and influence will steadily increase. The most beneficent outcome can best be ensured by an increasingly democratic and cooperative China, one in which its dynamism and stability are in balance, and one that is prepared to accept broad responsibilities commensurate with its increasing power.

Within the once-monolithic leadership in Beijing, many different visions of China's political future certainly exist, even if they are rarely voiced aloud. How deep are the ranks of those who dream of the emergence of a truly democratic China, one assuming its rightful place among the community of nations, cannot be known.

But they are not without rivals. For there is also the very real possibility of what may be termed a "white revolution," defined as the triumph of the forces of reaction and authoritarianism over the forces of political liberalization. The assumption of a commanding position by an unconstrained elite atop an enormously expanding power to direct as

they please is a prospect to be feared by all. Enamored of an aggressive and intoxicating nationalism, it would soon wreak havoc on the world.

A Contest

A momentous contest is underway in Hong Kong, one with few guidelines and fewer precedents and with no guaranteed positive outcome. Failure is as easy to imagine as success, and perhaps more so. The stakes for Hong Kong are very high, but are even greater for China and for the world.

Despite the enormous stakes, the world's influence does not extend to an ability to make the decisions for the actors here. But that does not mean that we have none at all. Beijing's ardent need and desire for an extended period of cooperation with the world to allow its internal transformation to proceed unhindered creates numerous opportunities for the exercise of leverage.

We must use the leverage thus created to repeatedly emphasize the world's enduring inter-

est in Hong Kong's welfare, a concern which extends to its political happiness. I can assure you that the U.S. Congress will never abandon its commitment to the freedom and prosperity of Hong Kong nor fail to ensure that this remains a prism through which our relations with China as a whole are viewed.

The Miners' Canary

Many years ago, those laboring in mines deep underground faced the deadly problem of the buildup of fatal but undetectable gases. To warn them of approaching danger, they would bring with them a small and fragile bird, imprisoned in a cage, which became known as the miners' canary. The state of its health foretold either continued life or the approach of mortal danger.

Hong Kong is that miners' canary. Its vulnerability makes it an unmistakable indicator of the course of China's historic transition and the impact it will soon have on us all. We must watch carefully.