

INTERVIEW: Ambassador Chas Freeman

Pelosi's 'Extreme Irresponsibility'

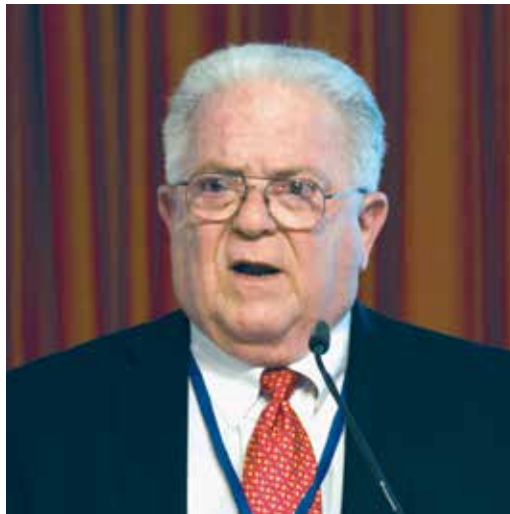
Mike Billington: This is Mike Billington with the Schiller Institute and the *Executive Intelligence Review*. I'm here today, Tuesday, Aug. 1, with Ambassador Chas Freeman, an esteemed diplomat and one of the most knowledgeable people regarding Chinese issues in the nation. Do you wish to say anything else about your position?

Amb. Chas Freeman: I'm a retired diplomat and defense official with views that differ from those of the establishment.

Billington: Indeed. Thanks.

Well, the great mystery now, as everybody knows, is will she or will she not? Will Nancy Pelosi, who is now in Asia, stop in Taiwan? The itinerary she put out does not actually list Taiwan, but it's still expected, nonetheless, that she will stop there. As you know, Chinese President Xi Jinping told President Joe Biden in their phone call July 28, "Those who play with fire shall perish by it." Former *Global Times* editor Hu Xijin said that if she goes to Taiwan, it would be considered an invasion and that the PLA had the right to confront them or even shoot them down. And yet the Chairman of the Joint Chiefs of Staff, Mark Milley, said that the military would protect her if she flies in. What do you expect if she does go?

Amb. Freeman: I think she will go, And I think that has now been confirmed by officials in Taiwan as well as in Washington. The expected date is August 4th, probably flying in from Clark Air Force Base in the Philippines. This



EIRNS/Julienne Lemaitre

Ambassador Chas Freeman

is an act of extreme irresponsibility on the Speaker's part. U.S.-China normalization is linked to American respect for One China, a position that Taipei and Beijing traditionally held, from which Taipei has now departed, with enthusiastic support from much of the American political establishment.

I don't think Hu Xijin speaks for the Chinese government. I don't think the Chinese government is eager to provoke the United States, as the United States seems eager to provoke China. But any consequence from this will most likely fall on

Taiwan. The Speaker's visit, in other words, instead of enhancing Taiwan's security, is likely damaging it, threatening it, and leading to an escalation in tensions in the Taiwan Strait. Exactly what the Chinese will do, no one knows. They have many, many options, political, economic, and military.

It's clear that the Speaker put herself in a position where she could not *not* go. She equally put Taiwan in a position where it could not *not* welcome her. And she



Taiwan Presidential Office

U.S. House Speaker Nancy Pelosi (left) and Taiwan's President Tsai Ing-wen during their meeting in Taipei, Taiwan, Aug. 3, 2022.

put the Chinese government in a position where it could not *not* do something escalatory. The sad reality is that the White House and the military in Washington both see this trip as damaging rather than helpful, but the White House has not had the courage to block Mrs. Pelosi's travel. We will see what happens, probably on Thursday.

Billington: This has been true on other issues with President Biden as well. In several calls between President Biden and President Xi Jinping, Biden has assured the Chinese President that the U.S. honors the One China policy, and it will not encourage Taiwan to declare independence. And yet his administration continues to do the opposite. And Chinese leaders have to repeatedly say that if the U.S. followed what Biden said in the phone calls, things would be okay. Who is running policy in the U.S.?

Amb. Freeman: It's very clear that the President is not speaking forthrightly on this issue. Just as in Israel, where he visited recently, he extolled the virtues of the two-state solution, which is now physically impossible due to Israeli actions backed by the United States.

In the case of Taiwan, the United States once had a diplomatic agreement with the Chinese on how to handle the issue, but this has been salami-sliced away. Now we are left with no way of dealing with the issue other than the military, which is why the U.S. military is preparing to protect the Speaker. After all, she is the third in line for the presidency and is a very important figure in the Congress, which is supposed to be the dominant branch of government under the American Constitution. The military obviously have a requirement to protect her, even if she does something terminally



White House/Adam Schultz

"President Joe Biden is not speaking forthrightly on the One-China policy."
—Chas Freeman.

foolish as she is now doing.

Billington: The Taiwan division at the Chinese Academy of Social Sciences, which I would say is probably the leading government-linked think tank for the Chinese, had a meeting in which they said, "Don't say we didn't tell you," and noted that this was what was said before the 1962 border war with India and also before the 1979 incursion into Vietnam, and perhaps they said that before their entry into the Korean War. I'm not sure of that. But can the U.S. ignore the warning this time?

Amb. Freeman: They did say that before the entry into the Korean War. It does not imply immediate action on their part, but it does suggest that we have come to a turning point on this issue, in which the probability of military conflict has been boosted. And Speaker Pelosi will have to take the responsibility for that.

Billington: I think you probably agree the U.S. provoked Russia to the point that they moved into eastern Ukraine. You said in your last interview with us that if Russia moved—this was before February—into Ukraine to defend their compatriots in the Donbas, that China might use that as an opportunity to forcefully reunify China. What level of provocation do you think would drive them to move in militarily now?



kremlin.ru

"Russia was provoked into what it did in Ukraine. It was unjustified, but provoked."
—Chas Freeman.
Here, Russian President Vladimir Putin.

Amb. Freeman: I think the issue of Ukraine and the issue of Taiwan do have something

in common in that the primary lesson we should take from what has happened in Ukraine is that if you defy the forcefully expressed objections of a great power to your actions, you do so at your peril, and the peril of those who you purport to protect. Russia was provoked

into what it did in Ukraine, which does not justify what it did in Ukraine. It was unjustified, but provoked.

A similar possibility exists in the case of Taiwan. The Chinese, however, will not be as impetuous as Vladimir Putin was. He sent his troops over the border without having first briefed his generals on his intentions, without preparing the logistical support for the invasion that he mounted, and without addressing the morale of the troops by explaining to them what they were being sent in to do. That was impetuous, probably a last-minute decision after the effort by the Russians to negotiate an understanding on NATO's enlargement and Ukraine, but [which] failed and was rebuffed by the United States.

In the case of Taiwan, the Chinese have had decades, since 1995, 1996, when they first began to prepare seriously for military conflict with Taiwan, after the United States breached our agreement with them and allowed the then president in Taipei, Lee Teng-hui, to visit the United States. That was also a congressional initiative opposed by the then Bill Clinton administration, the executive branch. This, too, is a congressional initiative, or at least one by the Speaker. The danger is that the Chinese will redouble their efforts and make a firm decision to use force against Taiwan. Not that they will use force immediately. They will not do so until they are confident they are ready and can win. Whether the United States stands in their way or not, they assume we will. So that is their planning guidance. This is not a story that began yesterday and it will not end tomorrow.

Billington: You've pointed to the 2005 Chinese anti-secession law as defining when Beijing would consider using force to reunify China. One of those conditions is that: "all possibilities of peaceful unification are lost." Have those conditions been met in your mind?

Amb. Freeman: That's a judgment for the Chinese to make. Many in Beijing, I think, believe that those conditions *have* now been met, and that is what makes this moment so very dangerous.

Billington: Clearly, Taiwan would be absolutely destroyed in any war between the U.S. and China, regardless of who won, if there was such a thing as winning. Is this not enough to prevent such a disaster, from within Taiwan, not wanting to see that kind of destruction as we see now in Ukraine?

Amb. Freeman: One of the problems that Beijing faces is that having cried wolf so often, having warned



U.S. Navy/Kaylianna Genier

With regard to unifying Taiwan with the mainland, "if [Beijing] doesn't do something escalatory, the value of their political-military pressure on Taiwan will be diminished. They don't have much choice, in my view." —Chas Freeman. Here the guided-missile destroyer USS Kidd transits the Taiwan Strait, Aug. 27, 2021.

Taiwan, so often, its warnings are now heavily discounted. Many people in Taiwan simply refuse to imagine that there could be a resumption of the Chinese civil war. It wasn't so long ago, however, that there were active air battles in the Taiwan Strait and artillery exchanges between the forces of the mainland and Taiwan. It ended only on January 1, 1979, when the United States and China normalized relations. So, the Chinese have a problem—if they don't do something escalatory, the value of their political-military pressure on Taiwan will be diminished. They don't have much choice, in my view.

Billington: The trade between Taiwan and the mainland is huge. I think it's almost \$200 billion, and there are huge Taiwan investments within the mainland. What voice does the business community have? Certainly, they would want to prevent any kind of a provoked military confrontation.

Amb. Freeman: There are almost 3 million Taiwanese living and working on the mainland at any given time, so this is a relationship that is in many ways

very intimate—a relationship among Chinese on both sides of the Strait. There are many people in Taiwan who do business with the mainland and who have no desire to see that disturbed by the outbreak of conflict. But there are also people in Taiwan who are passionately committed to the idea of self-determination for the island, its separation from China; and they happen to be in power. The Democratic Progressive Party, or DPP, has an Independence plank. Its leader, historically, although she's very cautious now, was openly committed to independence. The fact that that is the case is what has essentially ended political dialogue across the Strait and replaced a gradual process of accommodation with a rise in tensions.

Billington: You recently quoted John Quincy Adams, who said that the American hearts would be any place where the standard of freedom and independence is brought up, but that she “does not go abroad in search of monsters to destroy.” It is certainly the case that the anti-China mob in both parties and in the media here are trying to make China out to be a monster. Is China a monster?

Amb. Freeman: I don't think China is a monster in any respect. It's been around for 4,000 or 5,000 years, is really the only example of a pre-modern society that has successfully perpetuated its existence over millennia.

On the other hand, China has conditions that are radically different from those that we in the United States understand. It has 14 land borders, sea borders with Japan and South Korea, and with Taiwan, defeated in the unfinished civil war.

And, of course, the U.S. Seventh Fleet is off the Chinese shores. The United States is now conducting at least 2 to 3 intrusive patrols along China's borders daily, which accounts for the fact that the Chinese are reacting in dangerous ways more frequently, in my view.

But China also faces other challenges. It has about one third of the arable land of the United States, and much less water than we do. It has over four times the population, which it must feed on those meager resources. It's actually the largest producer of food in

the world. Notwithstanding that, it's very efficient. But it's always on the edge.

Chinese history is full of instances of mass death through starvation, political upheaval or foreign invasion. So, the Chinese attitude toward their government is, they want a can-do government. They want a strong government that will take responsibility for maintaining order and ensuring the well-being of their families.

In the United States, we have a margin of error that's so large, we want a government that does nothing, or as little as possible. “That government is best, which governs least,” said Thomas Jefferson. No Chinese would ever say such a thing. So, there is a clash of ideology, of political theory, political culture, which is



The Sierra Leone-flagged Razoni, the first ship under the auspices of a UN-Turkey brokered deal, leaves Odessa, Ukraine with 26,000 tons of corn (maize), bound for Tripoli, Lebanon, Aug. 1, 2022.

built into this relationship. I think it is understood in China that the United States has been uniquely blessed with resources, space, separation from the rest of the world by oceans, benign neighbors, only two of them with land borders. And the Chinese are well aware that they share none of these blessings. That causes a lot of misunderstanding between the two countries, and it causes some Americans to see China as anathema.

Billington: The U.S. imposed massive sanctions on Russia, even though they have turned out to be far more damaging to the West really than on Russia. But they have also apparently blinked recently. They did agree to a grain deal between Russia and Ukraine on exporting grain, which began today. They reversed the sanctions on shipments to Kaliningrad. Europe is very divided



UN

UN Secretary General António Guterres (left) with Recep Tayyip Erdoğan, President of the Republic of Turkey (right), at the signing ceremony of the “Initiative on the Safe Transportation of Grain and Foodstuffs from Ukrainian Ports Document” at the Dolmabahçe Palace in Istanbul, Turkey, July 22, 2022.

over the gas policies. And Blinken did place a call to Sergei Lavrov July 29. Most of the world has not supported the sanctions policy.

Do you think the U.S. can be brought to relent and to end the sanctions regime in Russia and elsewhere, and to negotiate with Russia and China?

Amb. Freeman: Judging by other examples, the answer is “No.” There’s been no give on maximum pressure on North Korea or on Iran, for example. The sanctions have an almost unbroken record of failure to achieve the political results they ostensibly aim at, namely, a change in policy. In this case, a change in Russian policy. But they do have a history of enormous collateral damage. At the moment, the sanctions that the West imposed—without, I think, adequately considering the collateral damage they might cause, the knock-on effect—is radically restructuring the global energy market in ways that were not intended. It is radically restructuring the global food market in ways that were not intended.

I would make one correction to your question, Mike. The grain deal was brokered by the UN with the help of Turkey. The United States and others were not involved. Russia agreed to it. In fact, Russia had consistently offered a path through the alleged blockade of Ukrainian ports for food shipments. The problem with the food shipments actually began not with the blockade, but with the Ukrainians prudently mining their own harbors to prevent the Russians from entering them. The minute they did that, insurance companies canceled the insurance

on ships that were in the harbor or attempting to enter it or leave it, and the trade shut down.

Regardless of whether there is or is not, or has or has not, been the alleged Russian blockade, the first thing that has to happen is some measure of de-mining. I gather that has taken place sufficiently in at least one port to allow a ship to depart. Whether that ship will ever return or not for more grain is, however, an open question. This is a war zone. The ships that were stuck there have no desire to return and get stuck again. There’s no assurance that they wouldn’t be, and it’s inherently dangerous, no matter how good a pilot is, to traverse a minefield. So, this is a very tenuous agreement not reached by the West with Russia, but by the UN on behalf of the Global South, brokered by Turkey and agreed to by Ukraine reluctantly.

Billington: Let me ask you about the move for what is proudly called “decoupling” of the U.S. and Chinese economies. What do you think of this, and what will be the effects?

Amb. Freeman: The United States and China both have benefited enormously from globalization, meaning the proliferation of supply chains across international borders. The net result of the decoupling will probably be to slow the growth of both the Chinese and the American economies. Part of the decoupling is an American ban on Chinese researchers in labs or at universities working on subjects which the powers-that-be in Washington consider sensitive. That is definitely going to retard progress on key technologies in the United States.

If you go into an artificial intelligence, or A.I., lab anywhere in the United States, you’ll find that something like 60% of the workforce there is foreign, about half of them Chinese, the other half largely Indian. The banning of those Chinese researchers just sends them back to China, where the government is investing approximately three times as much as the United States in developing advanced electronic technologies. The only competitors that the Chinese have are Taiwan, of course, which has over 90% of the world’s chip market, and South Korea, which is investing something like six or seven times what the United States is in boosting its semiconductor industry.

The decoupling is basically injurious to everyone,

unlikely to do anything other than produce greater competition internationally for the United States, and will probably retard, rather than secure, our international technological primacy.

Billington: The hyperinflationary crisis in the Western financial system, which has been aggravated by the sanctions regime on Russia but was already beginning before that, has really forced almost everybody to recognize that we're heading into an extremely serious economic crisis throughout the trans-Atlantic. Schiller Institute Chairwoman Helga Zepp-LaRouche has issued a call, as we have for decades actually, but at this moment of crisis, for a new Bretton Woods conference, which would include Russia and China, as well as the U.S., to deal with what should be obvious to everyone as a very, very serious crisis in the Western financial system. Do you have any hope or expectation that such a thing could be brought about?

Amb. Freeman: No, I do not. The political conditions for that do not exist. There's no indication at all that the current administration in Washington understands or practices diplomacy in its traditional sense. We've seen that with the breakdown in Ukraine. We've seen it with the breakdown over the so-called JCPOA, the Iran nuclear deal. We've seen it with the impasse with North Korea. We've seen it with the deterioration in relations with China. I don't think the political conditions exist.

On the other hand, one of the effects of the sanctions and other fallout from the Ukraine war is the *de facto* restructuring of the global financial system. Five ASEAN countries have now agreed to direct settlement of purchases through QR codes. Iran and Russia have agreed to, not just swaps, but a similar arrangement for the use of Russian credit cards in Iran, bypassing SWIFT, the Western-operated, Belgian entity that usually clears global transactions through the dollar.

Similarly, the BRICS are in the final stages of devising a transnational currency to replace the dollar for purposes of trade settlement. And of course, they are expanding their membership. So, what we're seeing is an evolution toward bilateral and plurilateral trade settlement mechanisms that avoid the dollar. It's very likely that we are on the path to a future in which the dollar will no longer have the near-monopoly position it does now in trade settlement, but will be merely one of many currencies in which trade is settled.

I want to just add that the issue of what is a reserve currency and what is not is actually derived from the

question of what trade can be settled in it and what cannot be. But the two are quite different. People talk about the dollar as a reserve currency, but that sort of misses the point. The real strength of the dollar is that it is backed by Saudi Arabia, which in 1974 agreed to denominate the world energy trade in dollars, something that OPEC has grudgingly followed despite objections from some of its members like Algeria and Iran.

As long as the dollar continues to be the unit of account for the energy trade and other commodities, the United States will retain our so-called exorbitant privilege. But the minute the Saudis and others begin to accept currencies other than the dollar in exchange for their commodity production, the dollar will collapse and we will see a massive devaluation of it, comparable to the one that occurred in 1971, when the U.S. went off the gold standard and dollars were no longer exchangeable for gold. This is a process that is occurring, in which a rational response would indeed be some sort of international effort to negotiate a transition. But I don't see the political basis for that.

Billington: Sergei Glazyev, who's now one of the leaders of the Eurasian Economic Union, and Wang Wen, at the Chongyang Institute for Financial Studies at Renmin University, have held a series of seminars on this issue, on the question of putting together some alternative currency to the dollar for international trade. Do you have a sense of how that's moving forward?

Amb. Freeman: I understand it is moving forward, but primarily in the context of the BRICS discussions that I mentioned. The last BRICS summit launched an active effort to implement those ideas. They have not yet been implemented, and indeed the details remain somewhat obscure. But I think there's no question that there is an active effort underway to accomplish exactly what Wang and his Russian counterpart suggested.

Billington: The Ukrainian Centre on Countering Disinformation, which is funded by the NATO countries, recently issued a list of 78 prominent international figures whom they described as Russian propaganda agents, and declared them to be "information terrorists" and "war criminals." Thirty of those 78 had spoken at Schiller Institute conferences, and you also have spoken at Schiller Institute conferences. What are your thoughts on this hit list?

Amb. Freeman: It's a sign of the times. If you don't

have a serious argument, resort to smearing those who disagree with you. This is detestable. It is a rebuke to the very ideas of free speech that are essential to Western democracy. And it should be condemned.

Billington: As you know very well as a China scholar, the Chinese character for “crisis” combines the characters for “danger” and for “opportunity.” It is certainly the case that people around the world are recognizing the extreme danger of the strategic crisis heading for war, perhaps nuclear war, and are also feeling the impact of the economic crisis. Do you sense that the citizenry around the world is responding? Are they adequately driven to try to force a change towards sanity?

Amb. Freeman: Just a minor corrective—there are actually two characters to the Chinese word “crisis,” it’s not one. But yes. This is the origin, I presume, of—I think it was Rahm Emanuel’s observation—that one should never fail to make use of a crisis or let it go to waste. I’m sorry to say that I believe the general reac-

tion internationally and certainly in my own country, the United States, is one of despondency and a sense of impotence and frustration as the equivalent of a tragedy in the true Greek sense unfolds. Everyone can see where this is likely to go. The protagonists nonetheless proceed on course. And the chorus is unheeded.

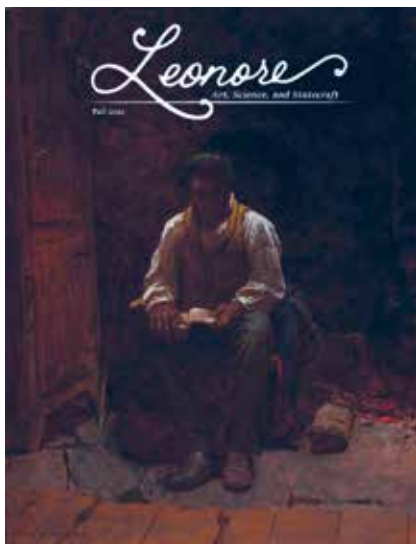
So, this is a moment in which, indeed, people should be giving voice to their objections to a course of action which unnecessarily risks a war, possibly a nuclear war. And, among other things, as you pointed out earlier, the certain destruction of both Taiwan’s democracy and its prosperity. I wish I could say that I see effective, popular response to the dangers we face, but I don’t.

Billington: Thank you. Do you have any last thoughts that you’d like to leave for our listeners?

Amb. Freeman: No, I’ve probably already hung myself enough.

Billington: Thank you.

The Schiller Institute has just released the second issue of its new quarterly journal dedicated to the creation of a classical culture. The 95-page issue, described below, is yours as a monthly contributing member. Memberships start at \$5/month. Give more if you can. This beautiful journal, written for audiences from 12 to 102, is a map to winning a beautiful future. Failure is not an option.



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