

**SUBMISSION
TO
SENATE INQUIRY
INTO
AUSTRALIA'S RELATIONSHIP WITH CHINA**

BY

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EXECUTIVE SUMMARY

This submission is based on six key judgments, namely that:

- Australia's economic and political relationships with China must be understood in the context of China's relationships in East Asia
- China's relationships in East Asia will increasingly be determined by the pervasiveness of Chinese culture throughout the region and by China's dynamic and dominant economic influence, with Japan ultimately, if reluctantly, facing little choice but to reconcile itself with China's cultural and economic authority
- China is the natural and inevitable leader in a revival of regional identity and pride, emanating substantially from Confucian and Daoist cultural traditions and ancient global economic and technological leadership
- China is likely within several decades to recapture a position at the centre of a global trading system – a position that it held for several millennia until the early 19th Century
- This transition is likely to coincide with a growing realization that Western reductionist and mechanistic science and medicine has become something of a planetary plague and that there is an urgent need to return to a more holistic and organic approach to science and medicine, such as captured in Daoist tradition, in order to repair substantial harm to human and planetary well-being.
- Australian economic and political relations, including the proposed Free Trade Agreement, with China will be fraught with challenges and opportunities, with an increasing number of occasions when the choice seems to be between the uncertain legacy of a two hundred year history as part of Anglo-American empire and an unknown but limitless future in a region, if not a world, defined largely by the energies and talents of people of predominantly Confucian-Daoist culture and values.

BACKGROUND

Anglo-American power has shaped the character and values of the global economy for the past two centuries. As Martin Wolf recalled in the *Financial Times* of 14 February 2005 (1), however, as late as 1820 China generated about a third of world output (measured at common international prices) and India about another 16 per cent. Indeed, as noted above, until that time China had been the centre of a global trading system for several millennia (2,3,4) and Europe, and America, rarely produced enough wealth to trade seriously with it.

Nevertheless, as John M Hobson notes in *The Eastern Origins of Western Civilization*, the West has disregarded, indeed profoundly misrepresented, important facts about the origins of many of the ideas that produced the modern world:

.....the Enlightenment was 'schizophrenic'. For its greatest paradox was that while it borrowed and assimilated Eastern (mainly Chinese) ideas these were then crafted into a body of knowledge that imagined the East as uncivilized and, in turn, led on to the imperial civilizing mission and the repression of the East.....

The discourse created (largely unwittingly) a kind of intellectual apartheid regime in which the West was fundamentally segregated from the East by an imaginary borderline that stretched back in time to Ancient Greece. (5)

The *intellectual apartheid* that fundamentally segregated the West from the East has become central to Western character and identity. It is now, however, a major vulnerability, as there is little understanding in the West of the diverse intellectual, spiritual, scientific, strategic, and cultural qualities that have informed the recent economic resurgence of East Asia in general and of China in particular. Factors that obstruct satisfactory explanation in the English language include:

- the reductionist and mechanistic character of the West's post-Enlightenment thought
- the severity of the intellectual apartheid referred to above
- the supreme confidence of the Anglo-American world over the past two centuries
- the unfamiliar, even alien, character of East Asia's holistic and organic scientific and spiritual traditions
- the barriers presented to English speakers by the region's character-based languages
- the subtlety with which East Asian strategic wisdom has been used in recent decades to conquer the Anglo-American world through humble service.

This submission is based on the judgment that we are entering a period when a combination of economic, technological, military and political factors will make it increasingly difficult to maintain the Anglo-American norms of the past two centuries. This is not the place to go far into this judgment but there are almost daily commentaries in the global media that highlight and explore:

- America's growing financial dependency on East Asia
- America's loss of its technological lead over East Asia
- America's political dependency on cheap but quality Asian consumer products
- America's uncertainty over the rapid rise of Chinese military power
- Anglo-American alienation from other powers over the war on terror
- American vulnerability to Russian missile technology (6).

As SignOnSanDiego.Com reported on 22 March 2005:

For nearly 60 years, the United States has been the economic engine of the Pacific Rim – able to use its financial ties to Japan, South Korea and most nations of Southeast Asia to exert its will throughout the region.

But that era is drawing to a close.

In 2003, China overtook the United States as the biggest trading partner of South Korea. Last year, China became Japan's biggest trading partner. By the end of this year, it is likely to become the dominant trader with the Association of Southeast Asian Nations, or ASEAN, a 10-nation bloc stretching from the Philippines to Cambodia. By the end of 2006, China could become Australia's chief partner, leapfrogging the United States and the European Union. (7)

It is against this background that it seems essential to make the point that all Australia's relations with China, and particularly the question of a proposed free trade agreement, need to be addressed in the context of:

- complex and far-reaching global power transitions
- a likely and imminent major decline in Anglo-American global dominance
- a further increase in pervasive Chinese and other East Asian influence and authority
- a possible return to an essentially benign and truly *laissez faire* Sino-centric global trading order that existed for several millennia before the 19th Century
- the re-emergence of more holistic and organic scientific paradigms
- economic difficulties likely to arise from major systemic failures in American led food and medical cultures that add little value due to subversion by excessively reductionist science and rationalist commerce (sometimes described as bad science and greedy business).

Appendix A to this paper outlines briefly ten cultural areas where the likely rise of East Asian standards may confront Australia with daunting challenges and remarkable opportunities. This seeks to illustrate areas where Australia is likely to need to restructure fundamentally the assumptions with which it approaches relations with China in particular, and East Asia in general, to take account of issues that are commonly defined out of existence, frequently unwittingly, as a consequence of the legacy of intellectual apartheid.

AUSTRALIAN ECONOMIC, POLITICAL AND REGIONAL INTERESTS

Given current trends, it is becoming imperative to base an important portion of Australia's strategic planning on the contingency that China in particular, and East Asia in general, will re-emerge at the centre of global trading, first rivalling and later overshadowing Anglo-American power. In such circumstances it is apparent that Australian policy cannot afford to be ill-informed about powerful, deep-rooted cultural qualities, largely suppressed and disguised over much of the past century, that direct behaviour among its most powerful neighbours.

This imperative will increase in importance if there is further movement towards an Asian trade and financial grouping to match European and American regional groupings. Australia will need not only to be closely in tune with developments in China but also with other key members of any such grouping so as to ensure that it can lobby effectively to optimize its negotiating positions. China's economic leverage is certain to dominate any such grouping and Japan is likely to have little option but to align its interests with those of its giant neighbour, even as it struggles to optimize its position. Critically, most of the calculation and strategizing in such forums will be conducted in intellectual, conceptual and spiritual frameworks that are not only alien but that are commonly discounted, if not ridiculed, by large numbers of Australians.

In a region largely defined, and in a world increasingly influenced, by the type of Chinese cultural influences outlined in Appendix A, Australia's unique historical origins and contemporary geo-commercial situation will be the source of many challenges and opportunities. Australia's success in developing policies which ensure

its security, prosperity and viability seems likely to be largely determined by its capacity to recognize, understand and adjust to the strength of China's traditional culture, which remains today unfamiliar, distrusted and threatening to a large number of Australians.

China's annual review of the human rights record of the United States displays a nation capable of playing a substantial and influential role in the battles waged over information in the international arena in terms laid down by Western leaders. While it will be some time before China is likely to rival Anglo-American power in the English language, it would be foolish to neglect to recognize the rapidly growing ability and readiness of the Chinese to operate powerfully in English at the same time as they have recourse to the vast reach of the Chinese language, which almost seems to exist in a parallel world that engages only minimally with Anglo-American consciousness.

The various considerations outlined above highlight the need for Australia to recognize the dangers inherent in maintaining the attitudes and practices of *intellectual apartheid*. In the light of developments over recent decades such attitudes and practices will have serious unfavourable consequences, ensuring that:

- few Australians are equipped to evaluate accurately developments and strategies in East Asia
- few Australians are equipped to win respect for their behaviour rather than offer easy opportunities for manipulation in the region
- few Australians are equipped to negotiate in ways likely to deliver long term benefits in the region
- most Australians will maintain and defend forms of dogma – whether political, economic, moral, scientific, medical, or other – than distort the decisive forces at work in the region
- most Australians, and even many corporate interests, due to ignorance, will insist on policies and priorities that will be self defeating
- few Australians will have even the basic requisites to operate effectively in a global knowledge economy.

THE INQUIRY'S TERMS OF REFERENCE

Against the background of the forgoing remarks, the following specific comments are offered below on the specific terms of reference of the inquiry.

(a) Australia's economic relationship with China with particular reference to:

i. Economic developments in China over the last decade and their implications for Australia and the East Asian region;

Simply put, the national and regional implications of these developments flow from the manner in which they are transforming the global environment, in particular the way in which they may foreshadow the end of a period of Anglo-American empire that has defined all of Australia's history.

ii. Recent trends in trade between Australia and China;

These trends suggest that Australia will need to focus increasingly on:

- expanding its competitive advantage in the export of minerals and raw materials
- expanding its capacity for high value, clean and green food and agricultural – as free as possible from the use of chemical fertilizers and pesticides, unnatural feeding of meat and fish, chemical and other processing technologies, genetic engineering based on poor science and any other methodologies that are likely to be found as contributing to the degenerative diseases increasingly associated with Western food and diets.
- researching its potential to produce the natural ingredients that have long been a distinctive feature of Asian medicines and medical foods
- ensuring that research and innovation activities, designed to value add, are as informed as possible about related activities in China and Asia, where global standards seem likely to be defined in an increasing range of soft and hard products, frequently drawing on an holistic and organic ethos alien to Western scientific paradigms.

iii. The Australia-China Trade and Economic Framework and possibility of a free trade agreement with China;

A Free Trade Agreement with China is essential to:

- capitalize on emerging opportunities
- complement comparable agreements with less prospective countries
- resolve areas of possible misunderstanding
- remove unnecessary institutional barriers to increased trade
- raise the level of mutual understanding between trade authorities
- signal strongly to all Australian's the growing importance of trade with China
- demonstrate the value of formal, negotiated understandings

iv. Ongoing barriers and impediments to trade with China for Australian businesses;

Apart from institutional constraints, many barriers and impediments will be caused by:

- inadequate information flows
- language obstacles
- cultural misunderstanding
- contrasting value systems
- basic incomprehension in products like food and medicine
- generally inadequate reliable media interaction.

Until these issues are addressed in a substantial and systemic manner much trade with China will depend on ethnic Chinese intermediaries, disadvantaging people of other backgrounds.

v. Existing strengths of Australian business in China and the scope for improvement through assistance via Commonwealth agencies and Australian Government programs;

Australian business has been constructive and proactive in many areas in China and has approached the market with few prejudices or inhibitions but often with unrealistic expectations and limited strategic vision. Most Australian business could be assisted greatly by more proactive government programs designed to assist small and medium scale operations by facilitating:

- strategic partnerships amongst Australian entities
- strategic partnerships with Chinese entities
- regular published information offering strategic insight, cultural know-how and mentoring guidance
- language skills support, possibly with Australians encouraged to make an effort in Chinese language comparable to the Chinese effort in English over the past 25 years
- a transformation of business culture inspired by Chinese models.

vi. Opportunities for strengthening and deepening commercial links with China in key export sectors;

Many opportunities exist if institutional mechanisms can be identified which facilitate and complement proactive identification and responses to Chinese market needs. Initiatives producing more focused educational priorities, broader people to people interaction and enhanced reliable media flows would provide a more secure foundation on which to construct informed and strategic entrepreneurial initiatives.

(b) Australia's political relationship with China with particular reference to:

i. China's emerging influence across East Asia and the South Pacific;

As already indicated, Chinese cultural influence pervades, even defines, East Asia and this is likely to lead to it assuming a powerful leadership role that increasingly shapes the region's future. Of lesser comparative importance, it seems inevitable that the South Pacific will be one of the lesser areas that is drawn increasingly into the economic dynamic radiating out from China.

ii. Opportunities for strengthening the deepening political, social and cultural links between Australia and China;

Ultimately, for these links to be further strengthened, it will be necessary for Australians to become comfortable with traditional Chinese ways of interacting with the rest of the world. A balanced understanding of history will make this easier as Australians are among those have been subjected to the *intellectual apartheid* that has misrepresented many realities. The Chinese Tribute System, in particular, has had a bad reputation but it often worked to ensure that tribute bearing states received more than they gave. It is critical that Australians do not misunderstand situations that are working in their favour. In other words, the Australian level of Chinese literacy needs to be raised substantially.

iii. Political, social and cultural considerations that could impede the development of strong and mutually beneficial relationships between Australia and China; and

As indicated above, this is a requirement for a much higher level of Chinese literacy, free of the *intellectual apartheid* of the past.

In particular, issues like Taiwan need to be understood in the context of Chinese culture and economic dynamics, and not in terms of anachronistic ideologies. The divisions that feature so loudly in the Western press rarely seem relevant when Chinese and Taiwanese mix in economic or cultural environments. Indeed, such divisions appear to belong to another world, where information is manipulated in ideological terms solely to maintain an appearance that remains relevant to little more than American foreign policy and Taiwanese domestic politics, although it retains the potential for damaging confrontation.

(c) Australian responses to China's emergence as a regional power with particular reference to:

i. China's relationships in East Asia, including in particular the Korean Peninsula and Japan;

Japan faces a difficult transition from a client relationship with the United States to a similar relationship with China. It is difficult, however, to see it compromising its position in the region by confronting an ascendant China in order to preserve its memories of leading the Westernisation of Asia and its post-1945 alliance with a declining United States. While America still has technology that Japan can learn from, Japan's economic relationship with China has much more promise than further expanding its increasingly one-way trade with the United States. Korea, both North and South, gives every evidence of being eager to deepen what is looking increasingly like its traditional (tributary) relationship with China.

ii. the strategic consequences of a China-ASEAN free trade agreement;

A China-ASEAN Free Trade Agreement is likely to be little more than a stepping stone to closer China-led regional cooperation, designed to protect against a repeat of the 1997 Asian financial crisis and against regional groupings in Europe and the Americas. It is hard to see how Australia can protect and advance its interests except by displaying a preparedness to respond constructively to developments of this nature. It is likely to best optimize its negotiating position if it is playing a pro-active, strategic role that is built on an astute understanding of regional interactions and regional sensitivities about the influence of non-regional and alien cultural norms.

iii. China's expanded activities across the South West Pacific.

It is highly unlikely that Australia would be able to match any concerted effort by China to exercise influence in the South West Pacific or that an America that confronts diminished influence in Asia would see the maintenance of some form of status quo in the South West Pacific as a high priority. Expanded Chinese influence could take many forms – commercial, migration, development assistance, military aid or political – that would be difficult for Australia and America to match. At the same time it is hard to see the region becoming a high priority in Chinese official thinking and difficulties are most likely to arise from China's energetic entrepreneurial class. In such circumstances, Australian interests will be heavily dependent on skilled

diplomacy, with any form of Australian or American proactive military initiative likely to prove counterproductive.

RECOMMENDATIONS FOR SENATE CONSIDERATION

Given the tendency for steady decline in Anglo-American influence in Australia's region, there is a need, as soon as possible, to:

- fund, staff and empower the Australia-China Council within the Department of Foreign Affairs and Trade to play a more proactive and influential role in building people to people and group to group understanding between the two countries and their cultural traditions
- explore opportunities for more people to people institutional interactions between the two countries
- facilitate and fund greatly enhanced student exchanges in all classes and at all levels of educations
- promote scientific exchanges in as many areas as possible
- re-evaluate the adequacy of Chinese and other regional language education
- re-evaluate the adequacy of popular understanding of Chinese history and culture
- determine the skills of international representatives in managing Chinese language and culture situations
- finance and subsidize a range of film and other cultural joint productions, with a focus on using these to promote a deeper Australian understanding of traditional Chinese culture
- facilitate the provision of popular access to Chinese and regional electronic media, so that it compares with cross-border media access in Europe
- examine and evaluate the comparative competitiveness of Chinese and Anglo-American economic strategies and promote the comparative study of East Asian development history
- encourage critical studies of the continued relevance and usefulness of Western ideologies from the past century in an East Asian political and economic environment
- encourage the comparative exploration and evaluation of rival thought practices and structures, emphasising Western clarity and deductive rigor on the one hand and Chinese resonances, correspondences and inter-relationships on the other
- establish and fund substantially several institutes to nurture medical and scientific methodologies and investigation that embody Chinese holistic and organic values
- use the free trade agreement negotiations to explore and establish other areas of commercial, cultural, scientific, intellectual and media exchange.

Without initiatives like those outlined above, Australia will encounter avoidable difficulties and uncertainties in both regional and global environments, despite growing trade volumes and irrespective of the form of the proposed Free Trade Agreement with China. Australia cannot preserve comforts and certainties that belong to a past world dominated by Anglo-American power that is now subject to rapid change. Some of the unfamiliar Confucian-Daoist values and perspectives that are important and influential are explored in Appendix A.

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APPENDIX A

TEN AREAS OF CRITICAL DIFFERENCE

**LEARNING
SPIRITUALITY
SCIENCE
STRATEGY
FOOD AND MEDICINE**

**ADMINISTRATIVE VIRTUE
INTUITION
CHANGE
CONQUEST
ENERGY**

LEARNING

Chinese tradition and culture places the highest priority on early learning by ritual and repetition so as to ensure that each new generation masters early as much as possible of the wisdom of its predecessors and identifies as deeply as possible with the community.

The emphasis is on character building discipline and effort and there is limited tolerance of those who squander early educational opportunity. Equally, those who cultivate discipline, effort and success are broadly rewarded with responsibility and recognition in the community.

In these qualities, East Asians seem to have much in common with the Indian peoples of the South Asian sub continent and with the cosmopolitan Jewish people. They generally outperform people of Anglo-American origin, even in the latter's own educational institutions and languages, and often achieve an advanced mastery of Anglo-American legal, institutional and political processes. The fact that this mastery is often superior to that of many who are born into Anglo-American communities leads to frequent instances of negotiating success. Putting aside some important strategic considerations, much of the past few decades of economic relations between the United States and East Asian economies is best explained by an examination of the superior East Asian mastery of negotiating detail.

Of course, China's long recorded bureaucratic tradition is a source of much institutional and negotiating strength but again this is only available to those who master the disciplines and skills of lifelong learning. The lesser emphasis placed on the mastery of high levels of early learning in the Anglo-American world reflects different historical experience. The rise of China and other East Asian economies, however, is likely increasingly to establish standards that will affect the security and prosperity of all members of the global community and impose a high price for ignorance of and indifference toward the historical forces that have shaped East Asia.

The contemporary West has continually failed to comprehend the strengths of ritualised learning in East Asia. The adoption by many contemporary Western communities of approaches that ostensibly empower children more as individuals in early education has several problems. In particular, it leaves large numbers without fundamental knowledge tools at critical maturing periods of youth and without the spiritual disciplines required to address and master issues, providing a poor basic preparation to tackle the increasing demands of the global knowledge economy.

Much of the significance of this can be explained by the context in which Confucian rote learning evolved. As the Harvard Confucian authority, Tu Wei-Ming, remarks in *Way, Learning and Politics: Essays on the Confucian Intellectual*:

The Confucian conviction that virtue can be learned and that the highest exemplification of virtue, sagehood, is attainable has been a source of inspiration for both educated elite and the general populace in China. (1)

It is also important to understand that learning developed in China as part of a sensitive and holistic approach to a child's development. Again, Tu Wei-Ming explains that the ancient Chinese approach to elementary learning reflected an awareness that 'the process of learning to be human begins in infancy'. Ritual or rote learning evolved in China as part of a complete physical, mental and spiritual training and education. Even after maturity it supported continuing efforts dedicated to balanced self-cultivation. An ancient attention to archery and charioteering came to be replaced by other physical arts, often martial arts with substantial therapeutic benefits, such as *taiji quan* and *qigong*. Interestingly, this might be seen as a move away from the limited mechanical technology of archery and charioteering towards a more Daoist and naturalistic form of physical mastery. Today early rote learning reflects the realization that the demands of being human are becoming ever more demanding and requiring ever more effort to integrate mental, physical and spiritual resources.

Even the number of Chinese performing Western music at the highest standard throughout the world reflects the continuing application of Confucian standards of striving towards the highest levels of excellence across the full spectrum of human endeavour. *The Australian* newspaper remarked on this in an article on 12 November 2004, which began with the words:

How is it that the children of China lead the world in Western classical music? On any given day in China, 38 million children are practising the piano, in a country that produces more such instruments than any other. Chinese pianists regularly win more distinguished international music prizes than British, Italian or French children. (2)

East Asian rote learning must always be understood in the context of disciplined, dedicated preparation for a full and practical life that works to encompass all the skills and qualities applauded by society. Western analysts, encouraged by the prejudices of intellectual apartheid and the disarming humility of East Asian counterparts, have made repeated errors of judgement through underestimating emerging challenges, even on the high ground of the West's own cultural tradition. A simple attempt to identify a comparable Western achievement on the high ground of East Asian cultural tradition reveals the majesty of Chinese educational aspiration.

ADMINISTRATIVE VIRTUE

Chinese tradition and culture has always closely identified education and virtue, because learning creates an awareness of one's place in, and responsibilities to, the

human community – past, present and future. Ritual learning is designed to form men of virtue to whom to entrust the community's future administration and leadership.

Yet when the Chinese talk of rule by virtue, or rule by man, rather than rule by law they talk within a tradition and culture that largely remains incomprehensible to Westerners. The legacies of Athens and Rome, worked over by Enlightenment thinkers, have been used to define the limits of Western political thought. While Plato talked of philosopher kings, the notion of rulers or administrators, qualified by knowledge, understanding and virtue, has been accorded little institutional authority or political practice in the West.

Consequently, it is not uncommon in the Anglo-American world to ridicule the value of this ideal and to compare unfavourably the East Asian disposition for rule by men of virtue with the West's emphasis on rule by law. The traditional Confucian ritual education, which survives in spirit if not in form, was developed as part of a cultural ethos that regarded this as the essential preparation of the community's next generation of learned and virtuous administrators. Central to this education is the creation of men whose knowledge of the past creates in them a natural disposition to behave maturely and wisely in meeting the challenges of government and the needs of the broad human community.

Even today, in the Western democracies, it is the popularly elected politician, and not the rigorously educated and selected administrator, who is the symbol of government, good or bad. As a consequence, there is little understanding in the West of the traditional character of government in East Asia or of the qualities of virtue, that is community focused knowledge, understanding and self cultivation, which have produced prosperity and security over several millennia – and remarkable growth in the second half of the 20th Century..

At the beginning of the 21st Century it is widely accepted that effective government needs to rely on the skills of people of high educational attainment and administrative experience — the Chinese model. Yet, the United States places many senior positions and most effective authority in the hands of political appointees, often chosen for, and representing, corporate connections. Arguably, much of the growth in East Asian economies at the expense of the United States is due to the superior qualities, disciplines and strategies of Confucian-Daoist bureaucracies, a product of this tradition of rule by networks of administrators chosen for their education and virtue.

It can also be argued that the contemporary success of rule by virtue in East Asia has highlighted for a small number of informed Western observers the critical problems inherent in the contemporary Western practices of democracy. These include:

- the disproportionate power of corporate donors who fund political parties
- the capacity of corporate priorities to betray community interests
- the deployment of the mass media to serve corporate not voter interests
- the electorate's limited understanding of the realities of government
- the power of hype, marketing and show business in the electoral process
- the helplessness of individual voters in the face of disinformation campaigns
- the deteriorating quality of administrators dependent on political approval

In contrast, the Chinese emphasis on practicality in maintaining community harmony and purpose has created a sense of virtue in government, which is defined by educational practices, historical lessons, community responsibility, administrative functionality and strategic success. It also has created an East Asian community that has few illusions about the power of administrators and the practices of power brokers, producing a worldly-wise appreciation of authority. This is often matched by comparative naiveté in the West, where ideals and realities are frequently confused.

Of course, the Western media focuses on little of the above and often highlights accounts of Chinese and East Asian corruption. While it is true that records of corrupt practices exist throughout Chinese history,

- no culture offers a more extensive range of education in the follies and consequences of moral weakness
- no culture has shown a comparable capacity to reform and regenerate after periods of self-destructive excess and indulgence
- no culture has a more sophisticated understanding of ways to turn to strategic advantage corrupt instincts in both its own and others' cultures.

Tu Wei-ming has highlighted the relevance of these themes in the preface of *Way, Learning and Politics: Essays on the Confucian Intellectual*:

The Confucian intellectual, whose form of life is embodied in the spiritual quest of poets, historians, statesmen and thinkers in the Axial Age, has been a standard inspiration for public-minded youth throughout Chinese civilization. Indeed, the well-known designation of the typical Confucian as a scholar-official underscores the Confucian aspiration for public service as a vocation. The Confucian “calling”, however, addresses a much more profound humanistic vision than political participation alone, no matter how broadly conceived, can accommodate. The symbolic resources that the Confucians tap for their own personal development and for the realization of their communal idea of humanity is ethico-religious as well as political. Indeed, their perception of “politics” as not only managing the world in economic and social terms but also as transforming the world in the educational and cultural sense impels them to root their political leadership in social conscience. Confucian intellectuals may not actively seek official positions to put their ideas into practice, but they are always engaged politically through their poetic sensibility, social responsibility, historical consciousness and metaphysical insight. (3)

In *Confucian Traditions in East Asian Modernity: Moral Education and Economic Culture in Japan and the Four Mini-Dragons*, Tu highlights the complexity of the tradition today in an introduction to papers delivered at a conference:

We must not underestimate the complexity of the methodological issues involved in addressing the Confucian role in East Asian societies, itself a fine art, because that role is both elusive and pervasive. We are, on the one hand, at a loss to define how the Confucian ethic actually works in economic organization, political ideology, and social behaviour. And yet, on the other hand, we are impressed by its presence in virtually every aspect of interpersonal relationships in East Asia. (4)

He also shows the manner in which the ethos of virtue and self-cultivation shapes the character of government and provides an authority that shallow Western analysis often misrepresents as authoritarianism:

In the East Asian context, government leadership is deemed indispensable for the smooth functioning of the domestic market economy and vital for enhancing national comparative advantage in international competition. The central government is expected to have a holistic vision of the well-being of the nation and a long-term plan to help people maintain an adequate livelihood so that they can attain their aspirations of human flourishing. Strong governments with moral authority, a sort of ritualised symbolic power fully accepted by the overwhelming majority, is acclaimed as a blessing, for it is the responsibility of the ruling minority to translate the general will of the people into reasonable policies on security, health care, economic growth, social welfare and education. Indeed, political leaders (including civil servants) in East Asia often possess a commanding influence in the public sphere. (5)

Implicit in this preference for reliance on the exercise of human administrative authority over the West's alternative predilection for a legal framework ostensibly independent from political or administrative power, or corporate influence, is a sense that the community's welfare must be carefully monitored and nurtured. China's initial introduction to Western notions of markets and free trade through the Opium Wars, and the more recent example of Russia's difficulties under Boris Yelstin, will ensure that, whatever appearances may be manufactured, it and other East Asians remain wary of the mercies of a marketplace dominated by corporate interests driven by rational calculations of short-term profit.

SPIRITUALITY

The Chinese spiritual tradition, largely captured by several Daoist classics but also reflected in Confucian classics and in Chan (and Zen) Buddhism, contrasts with Christianity in being neither monotheistic nor faith based. Moreover, it places its emphasis on a holistic and naturalistic exploration of the paradoxes and contradictions to be found in all aspects of human experience.

Forms of worship not altogether dissimilar to Christianity may be found in traditional Chinese life but they have limited influence on Chinese high, or administrative, culture, which is not at all characterized by the metaphysics, abstractions and dogmas that have tended to rule Western spiritual life. Accordingly, there is little contradiction between spiritual and scientific life in the Chinese tradition, both being shaped by a cultivated and acute sense of natural energies. Moreover, the administrative life, in its responsibility for community welfare, is in a sense a spiritual life. As a consequence there is none of the duality between religion and science that was created in the West by the European Enlightenment but a profound consciousness of the energies that have to be mastered in political, administrative, martial, spiritual and physical activity.

This difference accounts for the flexible and fluid approach to Western ideologies such as capitalism and communism that can be found in East Asia. In 2004, in

Heresies: Against Progress and Other Illusions, John Gray, Professor of European Thought at the London School of Economics, threw a sharp light on the simple faith-based convictions that have been fundamental to shaping recent political action:

Both communism and neo-liberalism were messianic movements, using the language of reason and science, but actually driven by faith. Seemingly deadly rivals, the two faiths differed chiefly on a point of doctrinal detail — whether the final perfection of mankind was to be achieved in universal socialism, or global democratic capitalism. Just as Marx’s revolutionary socialism had done, the global free market promised an end to history. As could have been foreseen, history continued — with an added dash of blood.

Like most Enlightenment ideologies, communism and neo-liberalism were obsessively secular. At the same time they were deeply shaped by religion. Looking to a future in which all of mankind would be united in a single way of life, each was rooted in a view of human history that is found only in western monotheism. Marxism and the cult of the free market are only the latest in a succession of Enlightenment faiths, in which the Christian promise of universal salvation reappears as a political project of universal emancipation. (6)

Without a deep attachment to messianic faith derived from Christian tradition, it has been much easier for Communist China to become a highly competitive market economy, similar to the models of Japan, Korea and Taiwan, than it was for Russia to manage such a transition, even after formally abandoning Communist ideology. Moreover, China has been able to attract substantial amounts of Western capital in a controlled manner largely on terms favourable to its carefully conceived development priorities and strategies. The practical and this-worldly character of Chinese spirituality has ensured that economic development policies have been implemented by highly educated administrators focused on results and have paid little attention to Western ideological dogmas. Deng Xiaoping’s slogan of ‘socialism with Chinese characteristics’, which quickly revealed itself as a highly competitive form of East Asian capitalism, is symptomatic of the functionality of the region’s spiritual purpose. It remains something of a riddle to many in the West

China’s freedom from the spiritual traumas that have accompanied the West’s struggle between Christian spirituality and Enlightenment secularism equips it in other unique ways to manage the illusions of technological utopianism. While many in the West may have embraced the secular promise of technological progress as an alternative to the Christian promise of universal salvation, the historical Chinese approach has been different. Early Daoist texts, such as the Zhuangzi, recognized technological progress as a cause of major disruption and upheaval in a world ordered to balance the energies of nature. It may well be that China will see its major challenge as taking the excesses of the West’s technological utopianism and, in the context of its own holistic and naturalistic scientific traditions and from a position of newly enhanced economic authority, identify a way forward that is less harsh on the natural and human environments.

This, of course, is no simple task and many will not find it easy to see how Chinese economic development differs from that of the West. At this time the only ready

evidence seems to be in the domains of medicine and food where long standing practices have provided some defence against Western corporate excesses that are spreading epidemics of degenerative diseases.

In religious matters, while they continue to see spiritual movements as the domain of the individual and remain intolerant of any linkage between spiritual movements and politics, they are generally tolerant of all religious traditions. Of course, nowhere in Chinese history is there anything comparable to the identification of early Christianity with the Roman Empire or the later Church of England with the British State. Consequently, spiritual movements like Falung Gong, with political pretensions, are always likely to be better tolerated outside China than within its borders.

In secular matters, tradition with an emphasis on holistic and organic values equips the Chinese better than the West to see technological and scientific activity as needing to harmonize its ambitions with a natural order that can be brutally vengeful. At the same time, like other East Asians, they have accommodated aggressive Western forms of mechanistic science and technology, as well as corporatized medicine and fast and processed food, as part of the process of assuming a diverse role in an Anglo-American dominated global economy.

Looking at the West from a Chinese perspective it is possible to see Christianity as a tool that has been used cynically by ruling classes to manipulate large groups of people and to give Europe a common identity that would have been lacking otherwise. The secular beliefs and achievements of the Enlightenment probably fare little better against a mature background of Chinese civilization. In a sense, these represent a crude, narrow and often destructive utilization of basic technologies that largely derive from China and that might warrant comparison with the horse technologies that enabled the Mongols to spread their authority over much of the Eurasian continent, including China, for several centuries.

It is tempting for Australians to misread the present Chinese preparedness to accommodate many pillars of Western identity, just as it is to misread the Chinese appetite for Australian education. It is, of course, reassuring and self-promoting to see the latter as evidence of Chinese recognition and acceptance of Australia's superior know-how. It is much less attractive to interpret this behaviour as evidence of a Chinese determination to master the world as it exists in preparation for a future where contemporary Anglo-American certainties assume a minor role in a region overshadowed by the economic and cultural reach of China.

The Daoist spirit, which is the most fundamental of Chinese qualities, has recently begun to attract an appreciative and growing following in the West. This popularity has often been assisted by initial introduction to martial arts, strategic thought, therapeutic practices or scientific insights that reflect a Daoist understanding of the world. The aridity and excesses encouraged by the frequent conflict between faith-based forms of mechanistic science and evangelical religion only tends to add to the attractions of Asian forms of spirituality that are firmly rooted in a pragmatic concern with life in this world.

While faith in both religion and science has been fundamental to the rise of Anglo-American power it does not follow that this faith will serve Anglo-American people

anywhere near as well in a period that witnesses the rise of fundamentally different forms of spirituality.

Against this background, the Chinese may show great public deference to Western notions of universal values – whether democracy, freedom or the rule of law – without necessarily taking them very seriously.

INTUITION

Chinese spiritual tradition also places a strong emphasis on the personal, disciplined cultivation of self-understanding and intuitive insight, nurturing reflection, calm and judgment, all within a broad sense of a demanding cosmos. It does not seek to understand the truth but to explore and follow the way, with the emphasis on practical action, community accord and natural harmonies.

Contrary to its stereotyped image in the West, Chinese, and East Asian, education is focused, in diverse, but reinforcing, ways, on giving the members of each new generation a strong sense, of disciplined, informed intuition and discreet individualism. This is designed to make members of each generation autonomous, efficient, productive members of highly cooperative communities, even should these communities be located far from China. Confucianism and Daoism complement one another in focusing spiritual fulfilment on the harmonies established with society and with nature and on the capacity to provide service in developing one's own position in the world.

A passage from J J Clarke's *Oriental Enlightenment* captures an element of Daoist, and Confucian, spirituality that has been a most powerful, if corrupted and unrecognised, influence in Western economic development:

Quesnay's revolutionary ideas amounted to a liberation from the economic orthodoxy of...mercantilism...and his influence on the free market theories of Adam Smith was profound. What is often omitted in accounts of Quesnay's place in modern thought is his debt to China — unlike in his own day when he was widely known as 'the European Confucius'. (7)

Few people, and even fewer economists, in the West understand that the economic theory of *laissez faire* or the free market was borrowed in a distorted form from China. While this is today one of the most influential Anglo-American politico-social concepts, it was transferred from China in the late 18th Century by the French Physiocrat Quesnay, just before the raising of the barriers of intellectual apartheid. *Laissez faire* is a direct translation of *wu wei*, or *non-action*.

Laissez faire is applied as part of *rational* economics in the West but *wu wei* is applied as part of a highly *intuitive* ruling or administrative ethos in East Asia. *Wu wei* is one of the most profound of Confucian-Daoist ideals of government, where the ruler governs by example and benign influence and with minimal intrusion or overt exercise of authority in the lives of the people. At the same time there is a profound acceptance of the authority of government and the moral and spiritual obligation to anticipate, understand and respect the intentions of those in positions of authority. This is part of a communitarian spirit where the interests of the individual are closely

identified with the interests of the community and where rewards come naturally to those who best serve the community.

In many ways the subtle application of the principle of *wu wei* by East Asian bureaucracies accounts for much of the economic success of the region in recent decades. Ignorance in the West of *wu wei* has ensured that most explanations of East Asian success completely distort realities by forcing them into the procrustean box of rational Western conceptual expectations. The unspoken spiritual bond between the administrator's strategic authority and the private corporation's commercial aspirations promoted by the East Asian practice of *wu wei* contrasts starkly with the American practice of *laissez faire*. In practicing *wu wei* (non action) East Asian governments would not be allowed to tolerate the way in which American corporate interests have infiltrated government, overpowered democratic procedures, taken over legal process, off-shored industry and compromised food and medical standards, precipitating a steady decline in the economic power of the United States.

The Daoist spirit that shapes the governmental ideal of *wu wei* or non-action, advocates that the superior ruler is the one who initiates minimal action, exercises maximum authority and releases the spiritual energies of the community. This captures the benefits of *laissez-faire* but provides safeguards against the excesses that are frequently associated with short-term corporate profit maximization in the West. It also, of course, assumes a trust of those in authority that is more characteristic of East Asian than Western societies.

The emphasis on people acting in harmony with one another and with nature, which is characteristic of Daoist spirituality, contrasts starkly with the West's modern emphasis on a mechanistic, reductionist and rationalistic science. Indeed, the latter has almost made intuition a pejorative word and locks much behaviour into predetermined moulds that can be justified by rational argument based on mostly unexamined first principles. The preservation of respect for intuitive insight in East Asia through its spiritual traditions – Confucianism, Daoism, Chan and Zen Buddhism and the Yi Jing – works to highlight areas of vulnerability in Western practice and belief, particularly in respects of mechanistic, reductionist and rationalistic approaches to the physical and social sciences.

Again, perhaps this is most easily recognized in the holistic and intuitive wisdom of the traditional Chinese medical practitioner, who cannot help but be critical of the mix of reductionist science, rational economic thinking and corporate profit imperatives which have dictated that a wide variety of harmful products be marketed for human consumption, contributing to the epidemic of obesity and other degenerative diseases now haunting developed societies. Once introduced to such a way of thinking it is hard not to be amazed at the manner in which reductionist science ensures that important side effects are not adequately researched, economic rationality dictates that top priority be given to profit considerations and corporate imperatives work to subordinate personal welfare to corporate survival and success.

The significance of the above lies not in some moral judgment but in the comment it offers on widespread Western scientific and commercial practices that are rarely subjected to serious criticism. As will be seen later the slow reaction time in recognizing problems in contemporary food processing and eating practices owes

much to a mentality that is conditioned to be insensitive to warning signals sent by the body's own intuitive understanding. People have become accustomed to trusting a product once it has gone through some process of scientific verification.

The economic cost inherent in pending litigation, misguided investment and distorted priorities has not yet become a matter of concern but the commercial vulnerability of American pharmaceutical, food and bio-tech industries is another factor that needs to be considered in evaluating the rapid decline of American economic influence.

SCIENCE

The Chinese sense of science does not seek clarity and deductive rigor as tends to be the case in the Western tradition derived from Greece but rather seeks to identify resonances, correspondences and inter-relationships(8).

As a consequence there is never a final truth or theory but rather only more resonances, correspondences and inter-relationships to be discovered and explored, as knowledge, experience and understanding accumulates over years. This all feeds into a maturing sense of the *Dao*, or Way, to be cultivated and followed through a meaningful life. Equally, this places a premium not on youth but on age and is disdainful of many of the simplistic half-truths that pass as scientific discoveries in the West. Moreover, it draws on a cultivated ability to draw together diverse inputs, often intuitive, and reach considered and measured judgments.

The *Yi Jing* (sometimes *I Ching*), or *Book of Changes*, perhaps the world's oldest classic text, captures this quality in a manner that still escapes most in the West, despite the psychoanalytical work of C G Jung and the associated Swiss based Eranos Foundation, beginning in the 1930s. Jung offered the following insight in a preface to the classic Richard Wilhelm translation of the *I Ching*:

It is a curious fact that a gifted and intelligent people as the Chinese has never developed what we call science. Our science, however, is based upon the principle of causality, and causality is considered to be an axiomatic truth. But a great change in our standpoint is setting in. What Kant's *Critique of Pure Reason* failed to do, is being accomplished by modern physics. The axioms of causality are being shaken to their foundations: we know now that what we term natural laws are merely statistical truths and thus must necessarily allow for exceptions. We have not sufficiently taken into account as yet that we need the laboratory with its incisive restrictions in order to demonstrate the invariable validity of natural law. If we leave things to nature we see a very different picture: every process is partially or totally interfered with by chance, so much so that under natural circumstances a course of events absolutely conforming to specific natural laws is almost an exception.

The Chinese mind, as I see it at work in the *I Ching*, seems to be exclusively occupied with the chance aspect of events. What we call coincidence seems to be the chief concern of this peculiar mind, and what we worship as causality passes almost unnoticed. We must admit that there is something to be said for the immense importance of chance. An incalculable amount of human effort is directed to combating and restricting the nuisance or danger represented by

chance. Theoretical considerations of cause and effect often look pale and dusty in comparison to the practical results of chance. It is all very well to say that the crystal of quartz is a hexagonal prism. The statement is quite true in so far as an ideal crystal is envisaged. But in nature one finds no two crystals exactly alike, although all are unmistakably hexagonal. The actual form, however, seems to appeal more to the Chinese sage than the ideal one. The jumble of natural laws constituting empirical reality holds more significance for him than a causal explanation of events that, moreover, must usually be separated from one another to be properly dealt with. (9)

The Genius of China: 3000 years of Science, Discovery and Invention by Robert Temple (10) shows that this Chinese scientific spirit achieved a record of predating many of the most critical European inventions, including:

- developing a cybernetic machine 1600 (possibly 3000) years before Europe
- developing the compass 1000 years before Europe
- inventing paper 1500 years before Europe
- inventing printing 600 years before Europe
- developing a calendar 1000 years before the Ancient Greeks

Moreover, it lists almost one hundred inventions and discoveries where China preceded the West, in most cases by at least a millennium. These come from the following fields of activity:

- agriculture
- astronomy and cartography
- engineering
- domestic and industrial technology
- medicine and health
- mathematics
- magnetism
- the physical sciences
- transport and exploration
- sound and music
- warfare

Perhaps no more interesting contemporary example of these different mindsets may be found than Dr Mae-Wan Ho, founder and director of the London based Institute of Science in Society (ISIS) and energetic campaigner against genetically modified foods, who promoted her book, *Living with the Fluid Genome*, with the words:

The biotech empire is fast collapsing and for good scientific reasons. It has got the science wrong. Read this riveting inside-story of the fluid genome, long suppressed by the corporate establishment because it is bad for business, written by a scientist who has been warning that genetic engineering is both dangerous and futile for over a decade. (11)

It is noteworthy that Dr Ho, who heads the Bio-Electrodynamics laboratory at the Open University in Milton Keynes in the UK and is also the author of *The Rainbow*

and the Worm: The Physics of Organisms and Genetic Engineering Dream or Nightmare? Turning the Tide on the Brave New World of Bad Science and Big Business has no formal association with China, which would probably find her work a strategic liability at this time in its development. This does not mean, of course, that in China corporate forces are as effective in sidelining her insights as they are in the West.

A concern with resonances, correspondences and inter-relationships was, arguably, a major reason why China did not, like the West, rush into agrarian and industrial revolutions, sensing the environmental and human consequences of such aggressive progress. Once confronted with the West's challenge and given time to reorganize, however, all the Confucian-Daoist communities of East Asia have demonstrated a capacity to master and overtake Western technological achievements, although, for strategic reasons, they have generally been content to be categorized as copiers, incapable of independent and innovative discovery.

CHANGE

The *Yi Jing* has made the mature management of inevitable and irresistible change one of the great art forms of the East Asian ruler, or administrator. Although China initially managed the intrusion of Western power less well, Japanese success in both preserving its established traditional values and promoting a dynamic modernization process, while assuming a rank alongside the most developed nations, showcases the genius of this classic and its capacity to provide guidance in reconciling the most contradictory of forces. This is a feat achieved mostly absent in other non-Western parts of the world where there has been no comparable classic of similar authority or demonstrated capacity to challenge the West.

An introduction to *I Ching: The Classic of Changes — The First English Translation of the Newly Discovered Second-Century BC Mawangdui Texts* by Edward L Shaughnessy captures simply the centrality of its place in the Confucian-Daoist world:

For the last two thousand and more years the *Yijing* (*I Ching*) or *Classic of Changes* has been, with the bible, the most read and commented upon work in all of world literature. Since the Han Dynasty (206 BC —220 AD), virtually every major figure in China's intellectual tradition has had something, and often quite a lot, to say about the text. The enigmatic images of its hexagram and line statements have been adapted to every imaginable life situation, while the worldview of its *Xici* or *Appended Statements* commentary — integrating man and nature through the medium of the *Yijing* — is arguably the most sophisticated (it is certainly the most subtle) statement of the correlative though that has been so fundamental to all of China's philosophical systems. Indeed, so central has the *Yijing* been to Chinese thought over these two millennia that a history of its exegetical traditions would require almost a history of Chinese thought. (12)

The abstract principles and rational imperatives of post-Enlightenment Judeo-Christian thought have a naïve simplicity in their methodology when compared with the complex wisdom embodied in the commentary on the *Yi Jing*'s sixty four

hexagrams, complemented by the disciplined intuition of Daoism and Chan Buddhism, not to mention the millennia of historical records compiled by erudite Confucian officials. The *Yi Jing* is the quintessential Confucian-Daoist classic, demonstrating fundamental differences with Judeo-Christian intellectual tradition and highlighting the qualities of learning, experience and mature years on which it draws.

Wei-ming Ng has shown in *The I Ching in Tokugawa Thought and Culture* (5) how this classic played a central role in assisting the Japanese preserve their own traditions and values while modernizing and Westernizing. Essentially the Japanese used it in the time-honored manner to manage change within continuity, reinforcing tradition even as they transformed it. Ng shows how the influence of the *Yi Jing* shaped Japanese political, economic and religious (both Shinto and Buddhism) thought as well as the cultures of natural science, medicine, the military and popular life. He shows also how:

In the context of Tokugawa Japan the *I Ching* was an ‘intellectual crossover’ that represented not only Confucianism but the entire Chinese cultural tradition. Tokugawa Japan, including Confucians, never confined themselves to one aspect of the tradition. The *I Ching* became an integral part of basic cultural training, all literate groups studied and used it, although they had different attitudes towards its philosophy and divination. As already mentioned, some Tokugawa Japanese saw it as a non-Confucian or even non-Chinese text. Hence the *I Ching* illustrates the complicity and dynamism in Sino-Japanese intellectual and cultural exchange. (13)

In medieval times in Japan there was a powerful belief that to study the *Yi Jing* before the age of fifty invited bad fortune. This early Japanese taboo on the youthful study of the *Yi Jing* is a reminder of the Confucian disposition to pay almost as much attention to the authority of the years as to the importance of education itself. During the Tokugawa Period, however, the *Yi Jing* gained broad appeal and shaped all aspects of life in Japan, perhaps even exceeding its use in China. Once again, the *Yi Jing*, the great Chinese oracle, illustrated its own unpredictability as it helped the Japanese outdo the Chinese in adapting to Western power and science.

In contrast to the modern West, the East Asian countries, with a few exceptions, have tended to allow power to reside in the hands of older leaders, whether in political or administrative positions. It has not been uncommon to read mocking and disparaging articles in the English language global media about Chinese, Japanese, Malaysian and other leaders who are into their 70s and 80s. There is little serious reflection on the superior quality of the leadership provided by many of these figures. These older leaders, with little exception, have led their people through periods of rapid growth in wealth and opportunity and have nurtured communities remarkable for their social stability and coherence.

The influence of the *Yi Jing* ran through politics, economics, science, medicine and military, as well as popular culture. With its emphasis on rich and diverse life experience, it highlights:

- the exponential accumulation of knowledge and experience with age
- the time-intensive nature of many valued physical and mental skills

- the many lifetimes of knowledge available for mastery
- the need for vast experience in order to make full use of *Yi Jing*-type wisdom
- the value of preserving vitality through exercise, breathing and meditative drill
- the benefits of age in knowledge, experience, wisdom and strategy.

The Japanese modernization example provided the model followed by other East Asian communities as they sought to respond to European intrusion into their region. The fact that even ‘communist’ China has successfully emulated ‘capitalist’ Japan in using the model is an invitation to serious reflection.

STRATEGY

One of the central tenets of Chinese strategy, from Sunzi’s *Art of War*, is:

Know oneself, know one’s adversary,
One hundred battles, one hundred victories. (14)

Thomas Cleary, a leading American translator of Asian classical texts, has captured in his *The Japanese Art of War* something of this Western failing in Asia. He remarks that

From abroad Buddhism was threatened by aggressive Christian missions attempting to link the Western technical knowledge now avidly sought by the Japanese with Christianity as understood by the West. Since part of the Christian missionary method was to criticise and rebuke the local religions it hoped to supplant, much of early Western scholarship on Buddhism began from this effort and was shaped by its purpose. (15)

Elsewhere Cleary notes that:

Two aspects of Japanese culture that have traditionally drawn the unfavourable comment of Westerners in virtually all fields are matters of reason and ethics. A great deal of emotional writing on this subject seems to boil down to the fact that the Japanese have their own reason in addition to what have been borrowed from other cultures. (16)

Chinese, Japanese and other East Asians learned from the Opium Wars, the arrival of Admiral Perry’s Black Ships in Yokohama, and other manifestations of Western assertiveness that their own practices of reason and morality would be targeted by various forms of Western evangelism, derived from both Christianity and the Enlightenment. The natural recourse for all East Asians was to refer to the great strategic classics and observe basic tenets of strategic wisdom such as that of Sunzi mentioned above. Consequently, the past century and a half has seen all of East Asia working hard, if at different speeds, to master the knowledge, reason and morality of the West. East Asians have made much progress in this endeavour, often with the active collaboration of Western education exporters, while Western countries are still mired in efforts to ‘criticize and rebuke’ East Asian forms of reason and morality.

Moreover, the West has continued to seek clarity and deductive rigor in Confucian-Daoist behaviour when in reality it is best understood by searching for correspondences, resonances and inter-relationships. The deep rooted *intellectual*

apartheid in the West's approach to East Asia has offered Confucian-Daoist strategists a bonus, as long as they have familiarized themselves with, and pandered to, the mechanistic certainties of the West's Enlightenment world view.

Central to Western attempts at organizational control in alien cultural environments have been the principles associated with Western economic and legal theory. Secular missionaries evangelizing the virtues of the relevant *universal* values have been highly trained in the economics and law faculties of Western universities. They have then been inserted into diplomatic roles, aid agencies, international organizations, corporate enterprises and legal authorities with the goal of ensuring observance of values that serve Western interests. On the whole these have been extraordinarily successful, except in East Asia since 1945. The Western dependency on this approach, untutored in other peoples' ways of thinking, has been unable to adjust to the Confucian-Daoist strategic response

Any serious, balanced examination of Western economic ideology and Asian economic strategies will suggest how well advised the East Asians have been in seeking to defend their own reason and morality, and to maintain their own reliance on exploring correspondences, resonances and inter-relationships.

Over an extended period, British merchants and economists, American Nobel Laureates and American entrepreneurs all have progressively proselytized the political and intellectual virtues of *laissez faire* economics, free market ideology, international free trade, the rule of law and contemporary globalism. The qualities of Anglo-American empire building inherent in this missionary work have been handled with increasing equanimity in East Asia as the Japanese model has demonstrated its effectiveness as a counter strategy.

European thought that challenges the doctrines of Adam Smith helps in explaining the character of this process. Friedrich List, a German who lived from 1789 to 1846, provided perhaps the most important alternative European thinking, even if he remains little known in the English-speaking world. A nationalist and romantic critic of economic theory, List's best-known work, *The National System of Political Economy* (17), criticized Adam Smith's free-trade doctrines on the basis of an analysis of economics that stressed political factors like the 'nation'. List saw it as the government's responsibility to foster the 'productive powers' of a nation. Only after these were in place could free trade be practiced. His thinking has remained influential in Europe, providing something of a blueprint for post-World War II reconstruction, and has been widely studied in East Asia.

Another advocate of an alternative way of seeing the world was an American economic historian, William Lazonick, who published *Business Organization and the Myth of the Market Economy* (18) in 1991. He examined the way industrial economies had behaved during the years when they were at their strongest - England in the 18th and 19th Centuries, the United States in the 19th and 20th Centuries, and Japan from the late 19th Century on. Despite varying in countless ways – the United Kingdom had a huge empire; the United States a huge frontier; Japan the advantage of applying technology the others had invented – these success stories had one common theme. None conformed to today's model of 'getting-prices right' in a free market

setting and putting the consumer's welfare first. All 'cheated' and violated the rules of free trade to succeed.

While the iconoclastic thought of thinkers like List and Lazonick has never captured the favor of mainstream economic practitioners and researchers in the West, learned East Asian administrators have not overlooked it. While it is possible to attribute its neglect in the West to the validity of mainstream free market and free trade doctrine, it is more realistic to see this as the product of prevailing political and corporate interests and authority in a world dominated first by English and then by American corporate interests and empire. In both instances, free markets and free trade have been perceived as critical to the interests of the imperial power and its proxies. This has dictated the acceptable form of economic orthodoxy. The trained economic priesthood, educated to defend the 'true' doctrine, excommunicated from respectable intellectual and official company dissidents like List and Lazonick..

When, after 1950, the Cold War gave some European and East Asian Confucian-Daoist states the opportunity to establish themselves economically by becoming political and ideological allies of the United States, the East Asians, in particular, were quick to exploit a variation of the 'cheating' early practiced by the United Kingdom, United States and Japan (which double dipped) and identified by Lazonick. This gave favorable access to markets, finance and technology and provided military savings through being covered by a United States defense shield. Unique local informational systems and commercial cultures, shrouded by difficult languages, enabled Confucian communities to capitalize on this in ways rarely understood by mono-cultural Anglo-American economists indoctrinated with the orthodoxies of Adam Smith.

Through the commitment of a highly learned administrative class to knowing themselves and their adversaries, East Asians have readily identified and turned to their advantage the hidden secrets of Western economic theory as well as the idiosyncrasies of a rule of law where:

- international law, whether public or private, is shaped by the dominant Western powers, largely to serve their own interests, in a manner that is often far from synonymous with justice
- legal remedy can become a privilege of the very wealthy, often corporate entities, able to crush others by the sheer cost of legal process
- the legal profession, including the judiciary, tends to cultivate the very cronyism for which Asian societies have been widely criticized
- highly litigious societies are encouraged by lawyers who have a commercial interest in promoting income generating disputes that add no value for the community.

CONQUEST

Since 1945, led by Japan, the communities of East Asia have successively shown a remarkable capacity for a type of conquest through service. This appears to remain incomprehensible to Anglo-American observers, even though their communities are the priority target of this strategy.

This capacity reflects a Chinese strategy that was articulated around three thousand years ago and that has been practiced in various ways over the following millennia. The modern capacity for conquest through service is a product of diverse strategic classics, a strong sense of community discipline, a rich experience of the tumult and torment of more brutal forms of conquest, a subtle Daoist understanding of human nature and frailty and Chinese mastery of a number of dynasties where aliens ascended the Imperial throne, most notably under the Mongols and Manchu of the Yuan and Qing Dynasties.

The first known articulation of the conquest through service strategy is to be found in Tai Gong's *Six Secret Teachings*. The story of Tai Gong, as passed down, in itself makes these of intriguing interest. He is reputed to have been 72 years of age when discovered by the soon-to-be founder of the Zhou Dynasty and more than 100 when he died, a renowned adviser, teacher, confidant, sage, military strategist and possibly commander-in-chief for the new Dynasty's ruler. Scholarly dispute about the historical basis of his reputation and his six secret teachings in no way detracts from the power of his legendary legacy.

The teachings reveal both a benign, one might say, Confucian approach to government and a harsh, realistic sense of strategy in the midst of conflict. Yet these teachings are associated with a time around five hundred before the birth of Confucius. In particular, the 'Twelve Civil Offensives' of the second teaching reflect a profound sense of human vulnerability, at the same time as they underline implicitly the strength of the virtuous man who is above temptation. Just the first of the twelve seems to capture in a few words the relationship between East Asia and the Anglo-American world over the past fifty years:

First, accord with what he [an adversary] likes in order to accommodate his wishes. He will eventually grow arrogant and mount some perverse affair. If you can appear to follow along, you will certainly be able to eliminate him.
(19)

The contemporary global economy where the world's dominant economy, the United States, has become dependent on the savings of East Asian economies appears as an almost perfect example of accommodating wishes to encourage the growth of arrogance and the mounting of some perverse affair. If it seems too much to identify a closely allied power like Japan as an adversary it should be recalled that this relationship first developed when Japan was occupied, as a defeated enemy, after World War II. Once having experienced the effectiveness of this strategy the Japanese would have had no reason to desist, even if they may have been a little troubled to see others and, finally, Communist China emulate their success. But then the strategy is quintessentially Chinese.

Each of the Civil Offensives illustrates the fundamental role played by virtue in Chinese society and tradition. Not only is its possession widely regarded as a fundamental qualification for administrative responsibility but its absence is identified as a form of vulnerability that invites exploitation and destruction by a capable rival. A party with identifiable vulnerabilities and failings of virtue in behavior is not only unworthy of respect but is also an invitation to any worthy adversary in a position to exploit these qualities.

With a few exceptions such as Machievelli and Clausewitz, the subject of strategic thinking is largely neglected in the West. In contrast, Chinese strategic knowledge, often closely associated with Daoism, is found in over a thousand Chinese classics. Against this background and in view of contrasting approaches to learning, virtue and intuition, Anglo-American determination to address economic issues largely in terms of a rational and mechanistic focus on short-term profit reports is an irresistible invitation to an educated East Asian administrator.

Moreover, subtle forms of compromise and partnership have long characterized the East Asian, or Confucian-Daoist, entrepreneur. Often, victory and success have been won through a quality of service that ‘transforms as it pleases’. Japanese and other East Asian economic miracles in the late 20th Century have been characterized by a capacity to seduce American politicians, corporations, consumers and investors to the point that they have both transformed the American economy and made it dependent upon Asian savings and hi-tech manufactures.

One of today’s most penetrating Western commentators on Japan, Eamonn Fingleton, has explained the Japanese phenomena, which translates to a large degree to China, in several books:

- *Blindside: Why Japan is Still on Track to Overtake the US by the Year 2000* (1995) (20)
- *In Praise of Hard Industries: Why Manufacturing, Not the Information Economy, Is the key to Future Prosperity* (1999) (21) and
- *Unsustainable: How Economic Dogma is Destroying American Prosperity*, (2003) (22)

He goes to some length to explain that the Japanese (and other East Asians) mislead and exploit Western analysts who work with mistaken cultural assumptions. Another long term authority on Japan, the American Ivan Hall, has titled his most recent book, *Bamboozled: How America Loses the Intellectual Game with Japan and Its Implications for Our Future in Asia* (2002) (23). This is an explicit comment on Anglo-American intellectual and strategic failure. Both these writers have a limited understanding of the Chinese cultural traditions that explain much of Japan’s success but their tragedy lies not in this but in the fact that the ruling corporate and political influences in the United States do not wish to hear or to give credence to such messengers. This has made it comparatively easy for East Asian leaders to deploy simple strategies of *winning by losing* or *conquest through service*, which Tai Gong would have applauded, to overtake within several decades the once powerful American economy.

FOOD AND MEDICINE

The contrast between Western and Eastern traditions of science is becoming increasingly evident in the preparation of food and the practice of medicine, reflecting the still pervasive influence of traditional Asian practices of understanding food as medicine and the foundation of good health. In contrast, there is a dawning realization that Western fast and processed food and pharmaceutical medicine have

become not only a health hazard, but also a commercial hazard, as the adverse effects of many products become broadly recognized and subject to litigation.

Western reductionist science has proven its excellence in identifying specific qualities in foods and medicines but is proving increasingly disastrous in anticipating adverse the side-effects. Increasingly, the cost and consequences of focusing on some qualities at the cost of neglecting others is becoming frightening apparent. The Chinese focus on resonances, correspondences and inter-relationships, drawing on intuitive disciplines and a holistic sense of nature and science, seems almost to have been designed to correct many of the excesses Western scientific method has introduced into familiar food and medical practices.

Food and medicine have been almost identical in Chinese tradition where, to quote Judith Farquhar from her anthropological exploration, *Appetites: food and sex in post-socialist China*:

Chinese cookbooks and the new genre of books on herbal medicine cuisine emphasise the medicinal value of foods and the importance of nutritional therapies dating from earliest times; many of the vegetable and animal products decocted in Chinese medicines are used routinely in cooking. (24)

In contrast the Enlightenment has given the West reductionist and mechanistic science and medicine that is now producing a plague of degenerative disease – cancer, circulatory problems, obesity, diabetes, Alzheimer’s, Parkinson’s, sexual deformity including reduced sperm count (25) and much else. The reductionist and mechanistic mentality rushes for the quick fix regardless of organic complexity and locks vast investment into industrial processes that are too costly to reform. Whether the problem is chemically fertilized and pesticided agriculture, hormonized and antibioticised meat, pasteurised milk (26), fluoridated (27) and chlorinated water, processed and chemically modified food or oestrogen releasing plastics (28) on the one hand or addictive and life endangering pharmaceuticals on the other, Western economies have made massive investments in industries that are beginning to threaten the continuation of animal and human life.

Of course, this will become an area of increasingly heated and bitter contestation as it raises questions over the ongoing viability of vast industries and massive corporations, not to mention the livelihoods of many highly trained and paid professionals.

At the same time, China has preserved the integrity of Traditional Chinese Medicine and has had considerable success in exporting its principles, practices, remedies and therapies. China has also often, but not always, supported Traditional Chinese Medicine with Western forms of scientific proof. This, the fact that it trains most of its doctors in the Western tradition and a number of not obviously related aspects of modernization are best regarded as part of displaying a serious respect for Western medicine, in the spirit of Tai Gong’s first Civil Offensive. Simultaneously, it has subtly presided over the world-wide spread and growth of popularity of traditional Chinese practices, which in turn has contributed substantially to the growing popularity of therapies which are alternatives to mainstream Western medicine.

Australia has been in the vanguard of this development, with acupuncture, herbal remedies, Chinese massage and therapeutic exercise becoming widely accepted. Indeed, five universities have popular departments of Chinese medicine and a number of private institutions offer practitioner training courses, while most health insurance companies provide cover for Chinese medicine. Moreover, many medical doctors are exploring Chinese medical art – art, as it does not fit Western reductionist scientific methodology and as it requires a unique treatment for each particular case.

Australia's regional location, its visible Chinese communities in large cities, its unique (in the world) inclusion of both Chinese and non-Chinese practitioners in its Chinese medicine association which is the largest outside Asia, and its growing trade ties with China also contributed to it holding successfully the largest world conference on acupuncture ever, outside of China, in 2004.

The success of Chinese medicine is evidenced by people voting with their feet, increasingly preferring the modern form of the Chinese tradition of scholar physicians, supported by several thousand years of recorded experience, to the increasingly mechanised, profit driven character of Western medicine, with its propensity for harmful side-effects and iatrogenic consequences. At the same time, there is growing evidence of the Chinese tradition responding astutely to contemporary commercial pressures, with a steady increase in the number of Asian corporations using multi-level marketing to distribute traditional health maintenance and well-being products. All this contributes to a body of practice with a capacity to prevent illness, cure difficult diseases and solve the problem of the mind-body split in mainstream Western health care.

The PRC State Council has identified Chinese medicine as a key industry to be developed and is allocating large resources to the project. Those familiar with Chinese official thinking are in no doubt that there is a resolve to promote Chinese medicine globally, almost as a virtuous spearhead of Chinese civilization. The fundamental premise of Chinese belief is the need to follow a lifestyle in accordance with natural principles. Given the present level of dissatisfaction with Western medical practice it is already apparent that Chinese philosophical beliefs are beginning to seep into Western communities. Interestingly, apart from its Confucian-Daoist East Asian neighbours, China's only competition in this endeavour will come from the other Asian giant, India, which has a similar nature-based health tradition.

Volker Scheid is one of several writers who have explored the comprehensive, if complex, approach the Chinese are adopting to establishing the respective merits of Western and Chinese approaches to health. He has detailed in *Chinese Medicine in Contemporary China: Plurality and Synthesis* (29) some of the diversity of possible approaches that has arisen in both modern and traditional practices, as various means are explored to optimise the benefits to be derived from each system. In this he showcases the thoroughness with which the Chinese are developing powerful scientific credentials to authoritatively evaluate the respective efficacy of different medical traditions at the same time as they present themselves to the incautious observer as committed to the substantial Westernisation of their medical culture.

Chinese, Indian and other forms of alternative medicine are being assisted in their growing popularity by Western corporate practice. Ruthless and unconscionable

conduct is destroying their credibility, whether it is the attempt to use *Codex Guidelines for Vitamin and Mineral Food Supplements* to restrict access to natural supplements or scandals like that over Vioxx, which has been reported on by the popular www.mercola.com website, run by a doctor trained in Western medicine, in the following terms:

It was blatantly obvious that these drugs wouldn't have been voted for favourably if financial ties weren't involved. There was no other way that Vioxx could have been approved and be allowed to kill even more people. It makes absolutely no sense unless you factor in corporate greed--pure, unadulterated corporate greed that places money ahead of human life, pain and suffering. (30)

In Japan, moreover, American determination to trade support for a non-veto, permanent Japanese Security Council seat in the United Nations to have restrictions lifted on American beef imports, imposed because after the discovery of Mad Cow disease in North America, is likely to work to its serious long-term disadvantage if it arouses, as seems likely, popular Japanese resentment and resistance.

The critical judgment is not a moral one but rather a hard-headed pragmatic, commercial one. Many Western food and pharmaceutical industries are in danger of losing their credibility in the face of Asian rivals. Many Western food and medical corporations are easy targets for well marketed products that demonstrate credible, holistic scientific and corporate integrity in the development of food and medical products. Moreover, the highly literate populations of East Asia are likely over time to turn to their own advantage the sorts of beat-up scares that have been run in the English language media over relatively small outbreaks of SARS and Avian flu.

Not only has the Western mechanistic and reductionist approach to science and technology produced a prohibitively expensive and intrusive form of health care. It is increasingly being revealed as both ineffective and frequently harmful, protected only by resort to forms of corruption and disinformation to preserve the value of massive investments. Consequently, Anglo-American food, medical and scientific problems are becoming serious economic and commercial dilemmas. It is difficult to dismiss concerns that the systemic character of these difficulties places them beyond any form of simple or immediate remedy.

In this context, massive contemporary speculative investment in genetic engineering ventures represents a compounding of past errors. Books like *Seeds of Deception* by Jeffrey M Smith (31) and *Genetic Engineering Dream or Nightmare? Turning the Tide on the Brave New World of Bad Science and Big Business* by Mae Wan-Ho (32) highlight the financial folly in this latest misguided attempt to recover lost economic ground through innovative, but reductionist and bad science.

Of course, China and India already, and will continue to, emulate in various ways many of the medical and scientific errors of the West, even as they steadily build up the credibility of their alternative approaches. Australia will become something of a battleground over these issues, not only in medicine, but also in agriculture, where its long-term competitiveness may rest on its avoidance of many of the errors inspired by bad science and corporate convenience.

ENERGY

The Chinese emphasis on balance in nature has led it to an extensive exploration of *qi*, or energy, in relation to human internal and external environments. Principles deeply rooted in Confucianism, Daoism and Buddhism have guided this exploration. Many other traditions, again most notably the Indian with its concepts of *prana*, *charkas* and the like, have identified and utilized related qualities. Gradually, these traditions are contributing to the emergence of energy, or vibrational, medicine in the West. This process is also being supported by the insights of Western quantum physics and is leading to a deeper understanding of the limits and errors inherent in the Western emphasis on intrusive pharmaceuticals and surgery.

It is this quality, together with the understanding of food as medicine, that is most likely to equip China, as it has already in various degrees equipped its Confucian-Daoist neighbours, to manage the mounting challenges of air, water and food pollution. Some regard the off-shoring of manufacturing as the off-shoring of industrial pollution and the export of toxic waste. This is a threat that each of the 'miracle' economies of East Asia has had to manage. China is the latest and largest to confront this challenge but the richness, depth and diversity of its traditional wisdom equip it with unique qualities. The unfortunate tendency for Anglo-American corporations to pursue profit and promote products regardless of profound dangers to human well-being and procreation demonstrated in genetic engineered crops and the ubiquitous use of plastic compounds poses major challenges to a densely populated country like China committed to a rapid industrialisation. The fundamentally different character of China's political and scientific culture may, however, provide the qualities needed to reveal finally the increasingly self-destructive character of Anglo-American corporate activities.

Dr Mae-Wan Ho has articulated, in a paper to the 'Future Visions' State of the World Forum in New York, September 4.10.2000, the contemporary situation in terms that span the language of modern physics and worldwide holistic and organic traditional cultures:

The machine metaphor has dominated the west for at least two thousand years before it was officially toppled by relativity theory and quantum physics at the turn of the 20th century. Einstein's relativity theory shattered the Newtonian universe of absolute space and time into a profusion of space-time frames in which space and time are no longer neatly separable. Furthermore, each space-time is tied to a particular observer, who therefore, not only has a different clock, but also a different map. Stranger still — for western science, that is, as it comes as little surprise to other knowledge systems, or to the artists in all cultures — quantum theory demanded that we stop seeing things as separate solid objects with definite (simple) locations in space and time. Instead, they are de-localised, indefinite, mutually entangled entities that change and evolve like organisms.....

When we extend this notion of mutual entanglement of part and whole, as Whitehead did, to societies, ecosystems and ultimately to all of nature, we begin to recover the profoundly holistic ecological traditions of indigenous cultures worldwide. The coherence of organisms is quintessentially pluralistic and diverse, and at every level. It is so, from the tens of thousands of proteins and other macromolecules that make up a cell to the many kinds of cells that constitute tissues and organs; from the variations that characterize natural populations to the profusion of species that make a thriving ecological community. And most of all, the kaleidoscopic, multicultural earth. (33)

A mainstream Chinese perspective on these possibilities can take on an even more surprising character. The book with the provocative title *China's Super Psychics* addresses exceptional human functions (EHF) through the following passage highlighting the distinguished American educated, father of Chinese nuclear and missile science, Qian Xuesen:

Qian also believes that since *qi gong* is based on the same theory as Chinese medicine, *qi gong*, Chinese medicine and EHF must be the same thing, and EHF is just one of the more striking manifestations of the 'thing'. He has indicated that to develop EHF, *qi gong* and Chinese medicine into true scientific theories, we need to make a breakthrough going beyond the current science.

He has made the far-reaching statement, 'The ultimate result of work in Chinese medicine, *qi gong* and EHF will be a new scientific revolution. When that happens it could be called the Oriental scientific revolution!' Similarly, in the Third Plenary Session of the Planning Committee for the Chinese Human Body Research Conference he gave a report on the theme, 'Can This Give Birth to a New Scientific Revolution?' In his conclusion, he said, "Human body science may lead to a new scientific revolution in the 21st Century, one that may be bigger than the revolution brought by quantum mechanics and relativity in the early 20th Century. Who among us will be the originators of this future revolution?' (34)

These writers, both highly educated and accustomed to working within Western paradigms, outline a perception of human health that is largely unrecognizable in terms of mainstream Western medicine. Of particular importance is the fact that these practices and the self awareness they promote are of growing importance where a variety of forms of man-made pollution threaten human health and well being. Without a cultivated and mature sense of one's own bodily responses to new environments there is a relentlessly growing danger of unwittingly putting oneself in danger from any of a variety of threats, most of which are products of the West's relentless use of reductionist and mechanistic science to innovate for commercial and corporate benefit.

The types of physical disciplines and therapies that have been used for several millennia in East, and South, Asia to master and utilize the body's intangible energies are largely lacking in the West. While efforts have been made to utilize modern

science and technology to advance these practices and to deepen the understanding of the forces they access, present indications are that, despite some heroic examples, such work continues to encounter substantial institutional and professional resistance in most Western communities. Consequently, the rapidly expanding scientific communities of China and India have a natural advantage in this area that the West will be hard pressed to match.

The holistic nature of Chinese thought is based on a sense that the potency of an individual reflects the way that individual relates to the external environment, including the community in which one works and lives, other communities peripheral to the first community and the physical environment in general. The idea of fitting tightly into an intricate network of connections forming a web or nexus in which one operates is central to the Chinese way of doing things. The intensity of this interaction can generate great energy, coordinated by a sense of both Confucian ethics and Daoist intuition, with the emphasis being on negotiating one's environment smoothly. This extends from human activities such as work, to the way one looks after personal health, with no activity being without an influence on health. The belief in Chinese medicine is that how we conduct our lives largely determines our health.

In this context the dynamic interaction of yin and yang forces pervades everything, providing a simple idea with which to explore the most complex of situations – just as it does throughout all aspects of Chinese civilization. The focus is on coordination and systemic energies functioning without unnecessary disruption. Whether the natural environment, human society or individual body the focus is similar. No seriously disruptive action is welcome. Whether it is the highly educated administrator or the highly educated physician, the priority is the same, the harmonious and energetic functioning of the system.

The East Asian return to the centre of the global economy is a reflection not so much of the application of Western economic market theory or reductionist science as it is a refocusing of East Asian energies. This utilizes unique and, outside East Asia, poorly understood cultural values that have proven themselves economically, scientifically and medically over several millennia. Time may suggest that this was only interrupted by a brief hiatus for two hundred years of Anglo-American empire, based on a crude form of reductionist but aggressive physical and social science.

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BIOGRAPHIES

Reg Little

Reg Little was an Australian diplomat for 25 years from 1963 to 1989, during which he was posted to Japan, Laos, Bangladesh, the United Nations New York, Ireland, Hong Kong, China, Switzerland, Mexico and the Caribbean. He was Deputy head of Mission in four postings and Head of Mission in one. He was a language student for eighteen (Japanese) and fifteen (Chinese) months respectively before his postings in Tokyo and Beijing. In Canberra, he held senior positions in charge of North Asia, International Economic Organizations and Policy Planning.

Since leaving the Department of Foreign Affairs and Trade he has been Director of the Office of International Business in the Queensland Premiers Department, Executive Director of the private Business Australia Corporation, a lecturer at Bond and Suzhou Universities and an invited speaker at a series of Conferences related to Chinese traditional culture and economic development in China, Hong Kong, Taiwan, Korea and Singapore. Since 1994, he has been a founding Director of the Beijing based International Confucian Association. He is the co-author with Warren Reed of two books, *The Confucian Renaissance* (in English, Japanese and Chinese) and *The Tyranny of Fortune: Australia's Asian Destiny*. He is presently working alone on a third book, tentatively titled *Confucian-Daoist World Order: Exploring Regime Change in the Global Economy*.

James Flowers

James Flowers is President of the Australia China Friendship Society NSW (1997-continuing) and President of the Australian Acupuncture and Chinese Medicine Association(2000-continuing). He was President of the Australia China Friendship Society National Council 2000-2004.

He is a lecturer in Chinese Medicine at University of Western Sydney and at the Sydney Institute of Chinese Medicine. He is a regular presenter at academic conferences on Chinese Medicine both internationally and in Australia. He was the Chair of the Organising Committee for the World Federation of Acupuncture and Moxibustion Societies Conference held in October 2004. He is Deputy Chair of the Australian Council for Chinese Medicine Education, has led a number of Australian official delegations to China and has run a clinical practice of Chinese Medicine since 1995.

Inquiry into Australia's relationship with China

Terms of Reference

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The Chair of the Senate Foreign Affairs, Defence and Trade References Committee, Senator Steve Hutchins, to move-

That the following matter be referred to the Senate Foreign Affairs, Defence and Trade References Committee for inquiry and report to the Senate on or before 15 September 2005:

- (a) Australia's economic relationship with China with particular reference to:
 - i. Economic developments in China over the last decade and their implications for Australia and the East Asian region;
 - ii. Recent trends in trade between Australia and China;
 - iii. The Australia-China Trade and Economic Framework and possibility of a free trade agreement with China;
 - iv. Ongoing barriers and impediments to trade with China for Australian businesses;
 - v. Existing strengths of Australian business in China and the scope for improvement through assistance via Commonwealth agencies and Australian Government programs;
 - vi. Opportunities for strengthening and deepening commercial links with China in key export sectors;
- (b) Australia's political relationship with China with particular reference to:
 - i. China's emerging influence across East Asia and the South Pacific;
 - ii. Opportunities for strengthening the deepening political, social and cultural links between Australia and China;
 - iii. Political, social and cultural considerations that could impede the development of strong and mutually beneficial relationships between Australia and China; and
- (c) Australian responses to China's emergence as a regional power with particular reference to:
 - i. China's relationships in East Asia, including in particular the Korean Peninsula and Japan;
 - ii. the strategic consequences of a China-ASEAN free trade agreement;
 - iii. China's expanded activities across the South West Pacific.

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