Critical Issues Confronting China: 
John L. Holden, McLarty Associates

October 9, 2019

By highlighting episodes of his encounters with China in a varied career of more than four decades, John L. Holden, Senior Director for China at McLarty Associates in Washington, D.C., depicted a complex picture of a multifaceted China that continues to evolve and defies simple characterization. Quoting Zheng Banqiao’s famous expression “so rare to be confused” (难得糊涂) to explain how his “confusion” about China has been hard won, Holden ventured no predictions about China’s future.

Born just outside of Minneapolis, MN, Holden had become fascinated by Indian and Chinese philosophies, including translated versions of the I Ching (Book of Changes), and had developed a love for Chinese landscape painting and poetry. As a sophomore at the University of Minnesota, he began studying Chinese in 1971. A year later he traveled to Taiwan to continue his language studies, observing government slogans such as “Retake the Mainland (反攻大陆)” that seemed oddly divorced from reality.

He visited the mainland in June and July 1974 for three weeks, during the “Criticize Lin Biao and Confucius (批林批孔)” period of the Cultural Revolution. Here again there seemed to be discrepancies between what he observed and what was presented in official briefings. A chance encounter with a bitter young man who helped him find his hotel when he became lost in Beijing’s hutongs showed him that most Chinese could not afford to eat meat more than once a month. He was told that Mrs. Nixon’s visit to a “prosperous” commune earlier that year was considered “a joke” by many common people (老百姓) because what she saw was staged.

As a graduate student at Stanford University, he was immersed in the study of classical Chinese literature, a realm of ambiguity and paradox that nevertheless he found easier to comprehend than contemporary China. Before leaving academia to embark on a business job in China, he was advised by Professor Kao Kung-yi “never [to] reveal yourself to be smart.” This advice, initially baffling to a young American who had spent years in universities, turned out to be valuable. Later, Holden saw that it resonated with the Chinese idiom used by Deng Xiaoping to guide China’s foreign policy: “hide your capabilities and bide your time” (韬光养晦).

Freshly out of graduate school in 1980, Holden became familiar with the Chinese Encyclopedia Publishing House, which had been tasked by Deng Xiaoping with helping to meet China’s drive to acquire knowledge from which it had been cut off. One of its senior leaders was
Yan Mingfu, who told him stories about interpreting for Mao and Khrushchev and reciting Pushkin while jailed in solitary confinement.

The following year, Holden was hired by the National Geographic Society to interpret for writers working on two chapters of the book “Journey into China.” One chapter covered the Yellow River and the other Tibet. When the National Geographic’s partner for the venture, Xinhua News Agency, took exception to parts of the book, it chose to erase its name as a collaborator and forgo sharing any of the proceeds of the publication, which turned out to be hugely successful. Holden learned from these experiences that what the Chinese say and do are often different.

In the 1990s, Holden served on the board and as chairman of the American Chamber of Commerce based in Beijing and lobbied for Congressional approval of Permanent Normal Trading Relations (NPTR) status for China. He rebutted the prevailing perception that the American business community had assumed China would become a liberal democracy through engagement. He clarified that what they had in mind was that, by allowing China to join the World Trade Organization, the U.S. would not have to deal bilaterally with China on many problems in their trade relations because the WTO would take care of them.

In April 1999, as the President of the National Committee on U.S.-China Relations, Holden helped host a dinner in Washington, D.C. for Premier Zhu Rongji after his disappointing meeting with President Clinton, where Clinton informed him that he did not yet have enough Congressional support to finalized a deal for China’s WTO entry. Holden recalled that Zhu had looked “very pale and unhappy” upon arrival at the dinner, but his spirits brightened over the course of the evening. By the end, he was able to win over the audience with his sense of humor; Zhu was able to see hope even in a moment of crisis.

Then came the unfortunate NATO bombing of the Chinese embassy in Belgrade on May 7, 1999. Chinese people at home and in the U.S., with scant exceptions, did not believe that it was an inadvertent American mistake. Holden found himself unable to convince Peking University students during his visit there, but surprisingly heard, even at this time of national anger toward the U.S., some Chinese students privately asking for advice about how to go to study in the U.S.

Holden was in Beijing again for a conference on the day after the September 11 terrorist attack in 2001. He was taken aback that the conference organizer, a seasoned Chinese diplomat, did not express any condolences for the devastating loss of lives, but proceeded with the conference as if nothing had happened. This apparent schadenfreude was but one example of the complex love-hate relationship with the U.S. that Holden has observed in China.

Holden concluded by discussing the challenges for China and the U.S. to understand one another in order to minimize confusion and avoid catastrophe. He pointed out that whereas the American system is transparent, China’s is quite opaque. There is no reliable real-time information about how the Chinese leadership makes decisions. It is nonetheless essential that American leaders base their decisions on a solid understanding of China. To assist Chinese
leaders in understanding the U.S. better and to avoid being distracted by the cacophony of American politics, Holden advised American policymakers to demonstrate consistency in their China policy.