

## **NAPSG ANNUAL MEETING - 2011 - CHARLESTON PLACE HOTEL**

**Tuesday, March 1, 2011. John Thornton, "Emancipating the Mind."**

MR. BECKER: Good morning. I knew John Thornton back when he was actually John Thornton. John is professor and director of global leadership at Tsinghua University in Beijing, former president, co-chief operating officer of Goldman Sachs. In 1983 he founded and developed Goldman Sachs' European mergers and acquisitions business. He served as co-CEO of Goldman Sachs International in London from 1995 to 1996, and chairman of Goldman Sachs Asia from 1996 to 1998, where he expanded the firm's regional franchise during the Asian financial crisis.

He's a director of Intel, Pacific Century Group, Ford Motor Company, Industrial and Commercial Bank of China, China Netcom and News Corporation. He's chairman of the board of the Brookings Institution. He's also non-executive director, non-executive chairman and director of HSBC North American Holdings, Incorporated.

I could go on and on. Member of the Council of Foreign Relation, China Securities Regulatory Commission. At least a dozen boards or organizations. But let's get to the good stuff.

Before Oxford, where he got a bachelor's and master's degree, before Yale School of Management, before earning his BA from Harvard College, John entered the Hotchkiss School, which was, in the words of Wikipedia, a prestigious boarding school in Lakeville, Connecticut. He is currently president of the board of trustees at Hotchkiss, and is committed to the idea that independent schools must serve a public purpose.

John was not always important, or at least not that important. At Hotchkiss he had to deal with someone more important than he, at least at that time, and that would be I. John was a senior at Hotchkiss, in my calculus class. Grades matter if you want to go to Harvard. I was his college advisor. College advisors matter, if you want to go to Harvard. And he was a proctor in the dormitory corridor where my wife, Grace, and I resided.

Thinking, even back then, of John's future, we arranged to have young Bill Ford, now chairman of the Ford Motor Company, on our corridor so John could begin to develop the relationships that would make a difference in his life down the road.

Would you believe that John, back then, was not a motivated student, that he pushed boundaries, and he had no focus? If so, you'd be entirely wrong. He was highly disciplined and an excellent student, athlete, tennis player, editor of the school newspaper. He earned his admission to Harvard by hard work, laser like focus -- which he has never lost -- as he earned everything else he's achieved in his life.

As hard as he worked, he was also quite capable of joining forces with his co-proctors against me toward the private purpose of creating a vision for mischievous but harmless and hilarious pranks directed at me. To be fair, those were all in rightful retribution for those I visited on them.

Since his graduation from Hotchkiss in 1972, John and I have maintained close contact and we continue to work together in things at Hotchkiss and, in fact, Grace's and my first trip to Charleston was back in 1990 for Margaret and John's wedding. It's an honor and a privilege to introduce someone I admire, and a great friend, John Lawson Thornton.

MR. THORNTON: Can you hear me? I'm going to talk from this, because I have no papers and I know the subject matter well enough. I want to be closer to the audience. Now, this morning I had a bit of a dilemma because I have spoken to groups like this from time to time over the last eight or nine years about China. And over that time what I have noticed is that the audience, which started out very unknowledgeable and very skeptical, has become slowly more interested. And during that odyssey, I used to say to myself, as I'm talking to the audience, How far can I go and how much can I assume and how forceful can I be about what I really think? Because otherwise, they're not going to take it in.

So I resolved that dilemma today by saying to myself, This is a highly intelligent, engaged audience at the vanguard of education, and what I'm about to talk about, in my opinion, is too important not to be absolutely direct and let you then make of it what you will.

My ambition with audiences used to be very humble, which is, make you just marginally more curious about the stuff than you are at the moment. My ambition today goes way beyond that. My ambition today is to try to catalyze in you the idea that you need to transform what you're doing in order to be at the leading edge of schools in this country.

So I'm going to start by giving you a little bit of background about myself in China, not because I want to be self-referential, but because my own story is kind of indicative of various things that are important for you to understand about China.

In 1999, when I was chairman of Goldman Sachs in Asia, Hank Paulson and I were in visiting with the then Chinese premier, whom I knew well because I'd been advising him for three or four years up until then. In that meeting, he was just about to go to the United States to see Bill Clinton on trade matters. He was sitting here, Paulson was there, the interpreter in the middle, I'm sitting over here, legions of Chinese staff sitting over there.

So the premier says to Hank Paulson, "Well, what should I do when I go to the United States? What should I focus on?"

And Hank Paulson says various things, and they go back and forth, and Hank runs out of things to say so he throws the ball to me, and he says, "Well, you spend much more time than I do. You tell the premier what you think."

I said, "Mr. Premier, if I were you, I would go and spend at least half a day, if not a full day, with Jack Welch at GE's Educational Development Center so you can see what it is that GE does for its middle and upper-middle management, because in my view, your biggest single issue in transforming the Chinese economy is that you don't have enough leaders who know how to do that, and it's a very big task."

So the premier liked this idea right away. He turns to his assistant and said, "Make sure I go see Jack Welch."

And then he says to me, "Can you prepare for me a white paper on how to introduce executive education into Tsinghua University?"

Now, this premier -- this is an important part of the story -- in 1984, having gone to Tsinghua himself, was the founding dean of the first school of economics in China since the revolution in 1949. He was still the dean of the school while he was premier of the country. So having asked me this question, "Can you prepare a white paper?" what am I going to say? Of course, the answer is yes.

So we get out of this meeting, and Hank Paulson turns to me and says, "Okay. Now what are you going to do?"

So I said, "Hank, this is dead easy. Here's what we're going to do. We're going to go to McKinsey and we're going to get McKinsey pro bono to prepare a five-year plan on how to build an executive education program. Then we're going to go to Harvard Business School or some comparable institution, get them to donate pro bono some faculty time to teach Chinese professors how to write cases and teach cases in Chinese. And then we're going to create an international advisory board, 50 percent western, 50 percent Chinese. The premier will be the honorary chairman. You, Hank, will be the functional chairman, and this will be kind of the guiding group for this activity."

So one thing led to the next and eventually, several years later, having set all this up as I just described -- and it

got off to a very good start, and went very well -- eventually I had a conversation with the premier in which we concluded I would leave what I was doing and go teach full-time at Tsinghua University.

This is 2002, 2003. So I became the first non-Chinese full professor at Tsinghua since the revolution. And Tsinghua, just to go back one step -- this is important, too -- at the time of the revolution, Tsinghua and the institution that sits right next to it -- the Chinese Communist Party made a strategic decision that Tsinghua would be just math and science and the other one just humanities. Because of the Communist Party orientations toward five-year plans and quantification and metrics, et cetera, the math and science university, Tsinghua, became the breeding ground for the leadership.

So when I told the story a minute ago about the premier having gone to the university, having been the dean, remaining the dean, that kind of linear relationship to this day exists. So when I was appointed to be a professor, it's still the case. Every single appointment requires the approval of the State Council, which is the cabinet of the country, and in the case of my situation it was unorthodox and required the premier's approval, but since I knew him, it was very straightforward.

Lesson number one is: The knowledge and the interest and the involvement of the most senior people in the country in the education system is comprehensive and deep.

I remember once having a conversation with the president of one of our major universities here whom I advise on his strategy towards China. We were in Beijing together, and I said to him, after we had done all our business related to his university and China, "I have something else I want to discuss with you. I have a notional idea of creating a lecture to be given once a year by a serious educational figure in this country on the topic of secondary education. And this will be of sufficient quality that people want to read it every year, and we'll publish it, and so forth. And I'd like you to be the first person to do this, because you spent a lot of time thinking about what the changes in the world mean for university education in this country. So now I'd like you to address your mind to the following question. What do the changes in the world mean to secondary education in this country?"

So this president of the university says to me the following. "Okay, I'll tell you what. You give X dollars to our university, and I'll give that speech tomorrow. You give two-thirds of X and I'll give that speech sometime this year. You give less than that, I'll think about it."

So I said to him, "Look, I know you think you're being very funny. But here's the truth. Here's the sad truth. The sad truth is, you actually don't care about this topic. That's the truth. I can take you down right now to the Minister of Education in this country, or to the premier, and they can tell me about Middle School Number 4, which is the best middle school in Beijing. And they know it, and they will have been there and it interests them."

The problem we have is, there's not enough interest in this country on what you might call the vertical connection between various levels of education. So I take this job at Tsinghua, the purpose of which is to, on the one hand, teach or mentor young rising leaders. And on the other hand, from my point of view, it's to understand their system from the inside out by basing myself in kind of the nerve center of the whole system. I can presumably, over time, start to understand the system, and at the same time, in parallel to that, continue to advise Chinese leaders on various topics that either I invent or they ask me about.

So to give you a flavor of this, the very first day I go to teach, or I go to the university. I say to them, "Listen, I'd like to teach a seminar focused on leadership, and outside of the seminar there will be very intensive one-on-one mentoring. And I'd like to choose my students. Roughly 50 students, big enough to matter, small enough that it's intimate."

And they say to me, "Well, you don't understand. We don't do seminars. We just do lectures."

And I said, "I know that. But I want to do a seminar."

And they say, "And also, on choosing students, we can tell you who the 50 best students are. You don't have to hear from anybody."

I said, "I know that also. But number one, I want to learn. And number two, myself -- I could be wrong -- but I don't correlate academic performance with leadership potential. So I'm trying to choose the bunch with the best leadership potential."

So after a lot of back-and-forth, they say, "Okay, you can teach a seminar. You can choose your students."

So I then spend the next three or four weeks interviewing 500 students from across the university, many of them midcareer, some undergrad, some grad, and so forth, on the long march of trying to figure out who has the most potential for this course. And I do it with a Chinese friend, so I'm not being completely culturally stupid. So I go through the whole thing.

So to give you an indication of how the system works there, at one point maybe 350 people into this thing, in walks this little guy, about 4'10" tall, sits down, one of the only students who doesn't speak English.

And this is an important footnote. Last year 10 million students got out of high school in China, round numbers, and took the examinations to go to college. In China there are five exams if you want to go to college. Three of those are mandatory. They are mathematics, Chinese literature, and English. You cannot go to a Chinese university if you're Chinese and don't speak English. So where I teach it's literally the case, of those 10 million students, the top 3,000 come to the university where I teach. So their English, as undergrads, is essentially, let's call it, classroom fluent.

To contrast that very quickly, the United States introduced the Chinese AP in 2007 for the first time. Last year, in 2010, round numbers, 3,500 students in this country took the Chinese AP. 3,500. Of them, 90 percent of the 3,500 were so-called heritage kids. So 10 percent, or 350, in the entire nation took the Chinese AP, to contrast the sensibility of these two places.

In any event, I'm interviewing this 4'10" guy, he sits down, and what I usually do usually do is say to the student, "Tell me where you're from," and he or she says, "I'm from Anhui Province," I say, "Show me on the map. What was it like to grow up there? Tell me about your family."

I take them through their whole life because I'm trying to get them to be honest by the time I want to get the real questions answered. So by the time I get to the real questions, I finally say, through the interpreter, "Ask him what he does."

And he says, "He says he's the editor of *The People's Daily*."

And I say, "Hmmm. Ask him what *The People's Daily* is."

He says, "It's the house organ for the Communist Party."

So he's got my attention. Okay. So I let this kid in the class.

So two weeks later I'm having dinner with him for the first time. "Professor, you know when we met, I told you that I'm the editor of *The People's Daily*?"

"Yes, you did. That's right."

"Well, you need to understand what that means."

"Okay."

"There are two editors. There's one that does what you think the editor does, puts the paper out every day. That's not me. There's another one, who is me. What I do is, I prepare" what he called "the private paper for the leaders of the country every day. Circulation is 25. So all the correspondents report to me. I prepare the private paper, I send it up, I see the interaction between the 25, and I see the interaction between them and me."

"So if I do a story, let's say, on, I don't know, riots in southern China and leader A, B, or C wants to know more about riots in southern China, and says to me, 'I want to know more,' I go get more and I give it to him. As a result of the sensitivity of my role, I have no passport, and I'm not allowed to leave the country until three years after I finish this job."

I spent literally hundreds and thousands of hours with these students one-on-one in order to be able to try to help them in their careers and therefore see in granular detail exactly how they are moving inside the system. And on the other side, I'm learning a massive amount.

So eventually, maybe two years later, the same student, whom I now, of course, know very well, says to me over dinner again, "Professor, I can help you understand who will be the next generation of leaders of the country."

And I said, "Well, that would be very helpful."

And I didn't push him. So then about a week later, having lunch, over lunch he hands me this memo, written in perfect English, and it says at the top, "People you need to know in China." And it has 12 people. And each one has three paragraphs, who the person is, why you need to know him, and how to get to know him.

He says, "The real list is 14, but you're not going to get to know the other two. They're in the military."

So I look at the list very quickly, and I already know a fair amount about that whole world, and I see right away that there are three people who are not on the list who most so-called experts, western experts, think are rising. So I say, "Well, why aren't So-and-so and So-and-so and So-and-so on this list?"

And he proceeds to give me extremely specific detailed responses. So I'm thinking to myself, well, as smart as this person is, and as sensitive a role as he has and everything else, it's clear he didn't put this list together on a Saturday morning, and this list has been given to me for a reason. And he gave me kind of a road map. "Go meet this person first, this is what he cares about, this person's best friend is that person," and so forth.

So for the next 18 months I did exactly as I was told, and ever since then, I have continued to build these kinds of relationships.

Now, I'm telling you all this to give you a flavor of how the Chinese system actually works. That is to say, every country in the world has this dynamic, but China has it even more, which is that a very small number of people essentially are creating the future of that country. And you could say any of the following and it would be true. You could say, "One person runs China." You could say two, you could say nine, you could say 25. I'm now going from the president to the Standing Committee of the Communist Party, the Politburo. You could say 300, the Central Committee. It's not more than 1,000, whatever the number is, running a country of the 1.3 billion.

Now, I want to go from that to try to give you a flavor, if you're a Chinese leader, for how you see the world. So start with this. If you think about a map of the United States, the continental United States, being essentially

the same size as China, and if you drew a line down the western side of the Dakotas, down past Kansas, Nebraska, Texas, and New Mexico -- so let's say roughly two-thirds of the country -- everything east of the line, from that line to the Atlantic Ocean, if you took all 300 million Americans and you moved them east of the line, China has about 300 million people living more or less the way we live, so 300 million Americans east of the line, and then you took a billion poor people and put them on top of it, and then you reminded yourself that in last 20 years 300 million people have come off the farm into the city, the largest migration of mankind in history, and 300 million more will migrate in the next 20 years, and then you remember, rather than having nice old Canada up here and troublesome Mexico down here and two oceans, you have 14 countries surrounding China. So you have Russia, difficult relationship. You have Mongolia. Another -- let's not call it difficult, but a sensitive relationship. Then North Korea. You then have Vietnam, Laos. Then you have Burma. Bhutan, Nepal. India, major difficulty. Pakistan. Afghanistan, Tajikistan, Kyrgyzstan, Kazakhstan. And then the only place where you have a border that's not surrounded like that is the ocean, the Pacific Ocean, and you have got Japan, probably the most difficult relationship, and Taiwan, the most sensitive relationship.

So if you're a Chinese leader, that's kind of your psychology. Then if you recall any issue you want to take in this country that's difficult -- health care, pensions, whatever the issue is -- that same issue in China is more complicated, on a much greater scale, and more difficult to manage.

So about 2007, when there was a leadership change -- let me just go back one step. The first time there was a peaceful leadership change in China was in 2002 since the revolution of '49. So in 2002, Jiang Zemin stepped down, Hu Jintao went up. First peaceful transition. The second one is going to come in 2012. And the Chinese Communist system is age-based, so they call the first generation Mao, the second generation Deng Xiaoping, the third Jiang Zemin, the fourth, the current president, Hu Jintao. So the fifth generation is coming to power in two years.

In 2007, I was having dinner with one of the members of the fifth generation, who's coming to power in two years' time. And he had just been promoted from his previous job to his new job. And his new job was a very senior job. And I have known him for, let's say, 15 years. And we're having a private dinner.

By the way, one little notation here: In the Chinese system, if you're a minister or above, you may not meet with a Westerner privately, unless one of two things is true: Unless you have got the explicit permission of your superior, which you're highly unlikely to ask for, if you have any sense; or you have a preexisting personal relationship with the Westerner going back before you were a minister.

So we're having a private dinner only because he and I have known each other for 15 years. So I say to him over dinner, "Now that you're in this very important role, will you use this role to accelerate reform of the system?"

And he said, "I'm going to give you a serious answer to a serious question. Between the time of my last job and this job, I had a month during which I was no longer doing that job and it was not known I was going to get this new job. So I had a month free. So for the first time in many, many years I read books. And I read 17 books. And half of them were Chinese classics and half of them were western, mostly on topics of economics and social movements and so forth." And he said, "Suddenly, something became very, very sharp in my mind, which was there before but had never been so sharp, which is the following: That in roughly 20 years' time, give or take, per capita Chinese income on a purchasing power basis will be roughly the equivalent of the United States today. So in about 20 years' time, more or less, give or take, that's where we'll be."

At that time, if we continue to go down what he called the western development path, that will mean in 20 years' time for every five Chinese there will be four automobiles. That means that there will be 1.1 billion automobiles in China alone. It means in 20 years' time they'll consume about 100 million barrels of oil a day. Well, the world doesn't produce that many today. The world produces 80 to 90 million barrels a day. By the way, 1.1 million automobiles -- we don't have that many automobiles in the world today.

So if you went down a whole list of commodities, the conclusion was that China alone would consume more in 20 years' time than the whole world does today.

So he said, "I'm thinking about that and thinking to myself, you know, on top of every other challenge that we have, which are very considerable, we now have a new challenge. The new challenge is: We need to create a new model because the world cannot support 1.3 billion incremental people living the way you live in the United States. And by the way, I'm not even talking yet about India or Indonesia or Russia or Brazil or anyplace else. Just China alone.

"Now, the truth is, we have no idea what that model looks like. We know some of it. We know, for example, that technology is very important to it. And the truth is, we don't have the technology, we, the Chinese. And we don't have the capability yet. We will eventually have both. We would get both a lot sooner if we were doing this cooperatively and if we were doing this competitively, but that's for you, the Americans, to decide whether you want to cooperate with us or not cooperate with us."

So I went away from this dinner thinking to myself, Well, now, is this just a kind of interesting intelligent friend of mine being amusing, or is this something that the Chinese leadership is thinking about in kind of an intentional way? So I spent the next nine months trying to figure out the answer to that question. And it takes that kind of time in order to kind of get this information.

And I concluded it was somewhere in between, that it was at neither extreme. But as I started thinking more and more about it, it concerned me more and more, because what he was basically saying is, "Well, just keep going down this road, it's going to lead to a dark place. And to get away from that road, we need a different way of operating, both inside China and between China and the rest of the world."

Okay. So bringing it back down to this particular group, it won't surprise you to know I looked at that and said to myself, Now, wait a second. If you're the headmaster or headmistress of a school that has in it a pre-K and kindergarten, these kids are five or six years old, so in 20 years' time they'll be 25, 26. Your 15-years-olds will be 35. Your seniors will be coming up on 40. So the world that I'm describing -- and you can argue about whether it's slightly off this way or that way -- but clearly the direction of the world I'm describing is not some academic exercise, but we're talking about the real lives of real students actually sitting in your schools right now.

And so I asked myself, Well, going back to my conversations with the university president, who has thought a lot about this question in relation to universities, what does all this mean for schools? And I'm focused more on schools than universities because, A, I feel a sense of urgency; and, B, because I think the earlier you start developing sensibilities and attitudes, the better.

And I don't have that magic answer, but what I do know, because I operate at very senior levels between the United States and China right now -- I was, for example, very involved in the most recent state visit of the Chinese president, so I see up close what goes on among the people right now on both sides. And also because of my business background, I see many, many, many chief executives who are quite involved in China. And if you ask me, you could say this one of two ways. You could either say, Given the importance of the issue of the rise of China, the importance of that issue for this country and for the world, if you said, what's the national resource being put against that issue, whatever the answer to that question is, it's pitiful, is the answer.

And even at the very high end, the so-called experts, I have come to the view that there are no experts. There are some people, for example, Jonathan Spence at Yale, who knows Chinese history backwards and is absolutely brilliant. But what we're talking about, if you get away from that very specific expertise, there's no such thing as a western expert about China. It's just too deep, too complex, changing too fast, and too opaque.

So I've dealt with the experts. I have dealt with the business leaders. If you ask me to grade the CEOs, their

knowledge of China is very weak. They don't necessarily see it as weak, but I use myself as an example. When I left Goldman Sachs in 2002/2003, I was already at kind of the higher end of knowledge of business people about China. If I could compare my knowledge now with what I know then, it's a thousand fold.

So using myself as kind of a proxy -- and I know, by the way, I consider myself still learning. I have tons to learn. So I look at that, and I say, In the United States, I see two principal issues with schools. The first issue is talked about ad nauseam, which is, what's kind of the average standard, and are we happy that the average standard is as high as it should be? That's an important question to ask. I'm glad it's being asked. I'm glad it's being addressed. But it's being focused on by many, many people.

The question that interests me more is: How do we know that our leading schools are, in fact, leading and are maintaining that leading position? And how do the behaviors of those leading schools get modeled and translated into other schools?

And so in thinking about the national competitiveness and national preparedness, I come back to the fact that the kind of central nervous system, the leading schools, should be the ones most bothered by this, addressing their minds to it, thinking about how it should manifest itself.

And Larry referenced earlier my presidency of the board of Hotchkiss. This has been a topic occupying our minds now for quite some time, and so I know that it's not an easy topic, for a whole series of reasons. But it's an essential topic. And it's an essential topic that schools absolutely must be addressing right now, because we know how long it takes to change behavior, we know how long it takes to have these conversations. And the truth is, we haven't got that time. We simply don't have the time. And unless someone stands up and says that, which takes me back to where I started, do I want to lead into it a nice kind of gingerly way and sugarcoat the message and let you get it over time, in slow motion; or do I want to have a frontal assault and hopefully catalyze you into whatever thinking you have on your own?

And I know from leading organizations and dealing with people et cetera, et cetera, if the topic is not owned by the leadership and owned by the people running the institution, the faculty, nothing is going to happen. So I'm not one to purport to be an expert about how one moves schools, but I know they have to move.

And with that, I think I will draw some breath and open the floor for comments or questions.

MR. GOLDING: Tim Golding. I'm just wondering, where does the current administration stand in terms of ownership of this issue?

MR. THORNTON: Good question. First of all, here's what I would say. I should have said this at the beginning, by the way. On the topic of China, it lends itself to hyperbole and it lends itself to being highly authoritative, neither of which was useful, because the truth is, it's very messy. So I'm about to get authoritative.

I would say this. Almost every administration I have dealt with, their kind of standard line is: The relationship between the United States and China has never been better, which, by the way, is very often true. In fact, it's usually true.

But what I always say to that is, you know, that's true, but it's not relevant. Because the fact is, on an absolute scale, it's nowhere close to what it should be.

Think about this. One thing I should have said about China before when I was describing it, here's another good example of what we do. I don't even know the extent of it. I tried to find out, I can't figure it out. We have massive amounts of reconnaissance flying by intelligence, Air Force and ships, all around the Chinese border all the time. And there's not enough going on the other way. Imagine if the Chinese, tomorrow -- if you

read the front page of The New York Times, and it said the Chinese have reconnaissance planes flying around the perimeter of the United States doing intelligence. Imagine how much outcry there would be.

I reference this because Margaret mentioned earlier the importance of empathy and the importance of getting in the shoes or the skin of another person. This is really a fundamental issue for human nature generally and for this country. This country is a highly insular country. And so our ability or even our curiosity -- when I cited the numbers earlier, 350 students in this entire country who are not Asian heritage taking the Chinese AP. To me that's an alarming number and says something about the way in which our best students are being encouraged or not being encouraged to pursue something outside of their level of comfort, their own comfort.

And another little statistic, by the way: Last year I think there were 128,000 Chinese students at American universities. 128,000. There were 13,000 Americans in Chinese universities. China comes in fifth. Great Britain, various European countries, are where the American students go.

Now, you can make the argument, which has got some validity, that you don't have to obsess about China. You can simply say someone getting out of his or her own skin in any way develops a capability, which is true. And I think that's important, but what I would say about it is, I honestly don't think we should be treating China as one of 20 countries. It's not. It's one of one, and it will be the leading power in this century.

And so the United States' standpoint, my view would be we should develop the habits of behavior and the ways of interacting with the Chinese that we would wish to exist when we're no longer in such a strong position. And right now, we essentially -- this is getting a little bit better -- but we essentially have an American attitude.

The Chinese start with this premise. This is the way I have seen it done for years. The premise is, there's probably somewhere in the world where they do X or Y or Z activity better than we do. Let's go scour the world and find out where they do this X, Y, or Z the best, then bring that all back here. Let's examine it. Let's decide, does it or does it not apply to the Chinese system, and if it does, how do we customize it? That's kind of their starting point.

Our starting point is: We know how to do everything. We don't need any help, and we're going to be closed. And that's just the wrong place to be.

MR. PAULUS: Tony Paulus. I ran a school for three years in Serbia. I'm fascinated by what you're saying. Those schools were trying to make a shift from a preoccupation with rote learning to critical thinking. My understanding is, it's not even what they're doing in China, but how they're doing it. What kind of shift do you see in terms of the educational system there, that they prepare to meet us midway? I agree with your sense of insularity. I think the US is very insular right now.

MR. THORNTON: Well, let me just tell you two things. One to give you a flavor of their attitude, to answer your question correctly. What I was saying earlier, when I first went and started teaching, in the very first month I was invited to a dinner at Tsinghua and the presiding official at the dinner was a woman called Madame Chen, who at the time was one of the ten members of the State Council, which is the cabinet. And her particular portfolio was education, science and technology, sports, and culture. So she was presiding over this dinner in that capacity. And at the dinner were maybe 50 people and I was seated across from the minister of education, who, by the way, is a Ph.D. from SUNY Buffalo, speaks perfect English, and he says to me, "Professor, we're so delighted to have you here. Nice to see you, et cetera, et cetera. And by the way, have you met Madame Chen?"

"No, I haven't."

"I'd like you to meet her."

"Great."

So after dinner he pulls me up to meet her. She, by the way, has a Ph.D., University of Pittsburgh. So she says to me, "God, I've heard a lot about you. Very glad to meet you. Tell me, what exactly are you teaching here?"

So I said, "Well, I'm teaching a seminar on leadership," and I explained in a few sentences.

"Gosh, that's fascinating. Maybe you could teach me."

I think this is a joke. I said, "Madame Chen, it looks to me like you're doing okay. But I'm here to please. If I can do anything for you, I'm happy to do it."

So she said, "Okay. When you're next in Beijing, I want you to call."

She turns to her aide, "Give Professor Thornton my private number."

They give me this phone number. Now, Chinese officials never give you private numbers. So I have this number. In two weeks I dutifully call the number, I think this is going into telephone heaven somewhere. I call it. She gets right on the phone. I start by saying, "Madame Chen, we met at Tsinghua."

She says, "I know who you are. Meet me this Wednesday, at the following state guesthouse, at 7:30 at night. I need two hours of your time."

So I dutifully show up there, and once again, it's just her, myself, and her chief of staff. Again, highly, highly unusual for that kind of private meeting.

So she says to me, "Here's what I want to do. I want to meet with you once a month on topics of my choosing. I want you to assign me reading, then I want to discuss the topic with you. If it's a topic on which you do not have sufficient expertise, bring another western expert. The first two topics I want to discuss are how to make China a more innovative society, and the second topic, how to get the best young people in key jobs early."

So I leave, I'm thinking, Now what am I going to do? So I was on the board of Intel at the time. I called Andy Grove, who was teaching at Stanford on innovation. So long story short, that could be a nice little module, easy, ready to go.

On the young people, I was teaching a lot of young people in China and seeing up close what was going on. So we meet the next time. We meet for nine months, just as she asked. Every occasion, I bring someone with me.

So on this first module that we're talking about, leadership, getting young people in good jobs, I had in my class the number one student at the School of Public Management, and he was actually outstanding, 32 years old, and as he was coming towards the end of our class, as we're having these mentoring conversations, I said, "So tell me, when you finish, what are you going to do?"

"Well, I'm going to go back to the province where I came, go back to the grain bureau."

So I said, "The grain bureau? I thought you told me, when I interviewed you, you wanted to someday be the mayor of a big city or governor of a province. How does that relate to this?"

"Well, I came from the grain bureau. They have been very nice to me. They're very loyal to me. I feel I should go back there.

"Okay. I understand that. But have you thought about trying to work for one of the mayors of the cities or

governors of the provinces?"

"Oh, yes," he says, "but China doesn't work that way."

So I said, "Let's try an experiment. I happen to know the mayor of Beijing extremely well. So I'll tell you what. I'll go to him and say you're terrific, he should hire you, and let's see what happens."

So that day I'm having lunch with the dean of the school. So I tell the dean the story. He listens to the story, he laughs, he says, "Tell the kid to go back to the grain bureau."

I said, "Why would he do that?"

"You don't understand. Let me tell you what's going to happen. Your friend, the mayor, who you think is a good friend of yours -- here's what's going to happen. You'll have dinner or lunch, whatever, you're going to say, 'I've got this great kid,' he's going to say, 'Terrific, send me his resume.' Nothing is going to happen."

So sure enough, I'm having dinner with that mayor, whatever it was, a few weeks. So over dinner I tell him the story, including the fact that the dean says, "Here's what you're going to do, humor me, send a resume. Nothing will happen."

That's exactly what happened. Even though I told him the whole story, sent the resume, nothing happened.

So now I'm sitting with Madame Chen talking about this question of how do you get key people in good jobs. So I said, "Madame Chen, let me tell you an experience I have just had, seen it at ground level."

So I told her the story. She laughs, said, "The kid should go back to the grain bureau."

I said, "Madame Chen, you're trying to change the system."

She said, "The system takes a long time to change," et cetera.

Anyway, I tell you this story because the first thing I want to get across to you is, here's the woman in the cabinet, this is sort of like, let's say, actually above the Secretary of Education, the very most senior-level, and here she is spending time in the evenings for hours at a time delving deeply into whatever the topic is in a very substantive way. I found out in the course of the nine months, what had happened was the premier had assigned all the members of the State Council specific topics to research. And so here she is, 63 years old, probably in her final job. So that's the first thing I want to get across.

The second thing I want to say is, they're very aware of this issue about teaching critical thinking. So, for example, in the school where I'm teaching, the dean of the school is -- again, this is a very typical story -- a Chinese national, came to this country 30 years ago, did his Ph.D. at Harvard, taught at MIT, tenured at Berkeley, gets recruited back for sort of national purpose to become the dean of the school at probably 20 percent of the pay he was getting at Berkeley. And so he gets in there, he's been there for three or four years, getting reacclimated to the system, and he's gotten approval, first inside the university, but then inside the entire system, for using our particular school as kind of a special educational experimental zone.

And so he's put into this -- and remember, this school is called the School of Economics and Management. Okay? And it's undergraduates and graduates. So he's put into the school required courses in the core on Western civilization, world political philosophy, English composition, Chinese composition. And he just started this two years ago.

I should also say, by the way, in the course of the three and a half years, now we've gotten to the point where 62

percent of the classes are taught in English.

So in answer to your question, they're very aware of this, and they are trying to deal with it in the fullness of time. I'll also say, just to give you one other anecdote, the Chinese get criticized a lot for this kind of absence of creativity and so forth. I remember when I first went over, I went to go see the head of the Microsoft Research Center, and I asked him, "You hear this criticism all the time about the absence of creativity, and so forth."

So he said, "Let me tell you a story. Five years ago, there was an undergraduate at Tsinghua who was number one in his class in computer science. He decided to stay at Tsinghua to do his Ph.D. and not to go to MIT. He finished his Ph.D., he came to us, asking for a job. We said to him, "Because you decided to stay at Tsinghua and not go to MIT, our judgment is that you're probably two or three years behind where you would have been. If you're prepared to do what you might call remedial catch-up work, which we think will take two or three years, we'll hire you."

So he agreed to do it. Took the job. So here we are, seven years later. He said last year, which is now say 2003 or so, last year in the worldwide highest-level academic seminar, reviewing peer-reviewed papers and computer science, there were 80 papers being reviewed. For the first time, 14 of the 80 were from China. Of the 14, seven from this one individual.

What I took away from the story was, you take this sort of microbe raw talent, put it in the right incubator, you give it enough water, and it flowers.

And that's been my experience in my own class. When I first started teaching, the first few weeks were really hard going because they're not used to interaction. My class is two hours long. I talk for ten minutes, I throw it open. And as I say, it was hard going the first two or three weeks. But then I said, "Here's the way it's going to work. You're either going to raise your hand, or I'm going to call on you and we're going to get this moving."

So after a year what then happens, the students from the prior year, many of them would show up the next year. So the next year, there were already in the audience a critical mass who were with the program. And by the end of my first term teaching -- this is an absolutely true story -- the first day I taught, because it was a very major thing, there was a lot of press coverage and they had a press conference, which was strange. But anyway, they had a press conference. And by the way, they didn't tell me it was coming. It just kind of happened. And I said to the people at Tsinghua, "I feel a little uncomfortable with this press conference. It feels uneasy. I don't like doing this."

"Don't worry about it. You're not going to say anything that we haven't cleared. So it will be just fine."

"Okay. This is my kind of press conference."

But anyway, at the end of the term, a woman editor called me up and said, "Professor, I was at your first press conference. I'd like to interview you to see what you think now, after four months teaching."

So I said to her, You know, you don't have to interview me. Tomorrow is my class. Just come to class."

And so she came to class. It was the last class of the semester.

I had already asked each student to prepare for the last class. "I want you to get up in front of your fellow students, explain what one thing had the biggest impact on you the entire semester." Because when I teach I always say at any given class, "I have a modest goal for you. I want you to learn one thing today, one thing that's important to you."

So what would happen at the end of the year was, one after the other, they would get up, and with intense

emotion they would say, "This class has totally changed my life," and then they would tell some very long-winded story. And it was interesting.

So at the end of the class, this editor sitting in the back of the class comes up to me, very deferential and impressed, "I'm so glad you let me come. This has totally changed my life."

I say this because -- it's a slight exaggeration but not much -- you just give the right environment with the right incentives and the right kind of motivation and coaching. These students are so hungry and so appreciative and so interested in learning, and if they start with the premise that they don't know much, that doesn't take a lot to motivate them.

**SPEAKER FROM THE FLOOR:** I went to China two years ago to take a look at some schools and possibly start building some relationships with American schools and them. One of the kids in one of the high school classes said to me, "Why is it that America has so many more Nobel Prize winners than we have here in China?"

And at first blush I was kind of surprised that that was a true statement. But upon reflection, you know, I realized we teach a little bit more innovatively and the kind of thinking that creates Nobel Prize thinkers. And from what you said, it sounds like that's changing a little bit in China.

My biggest question is: In terms of we in America, the whole debate of scores versus collaborative work, what is it that we need to be doing here to bring our kids up to be able to compete in this world that we're going to be facing in a very short time?

**MR. THORNTON:** Very good question. I don't purport to be an expert, but I'll give you my view. First of all, I think, by a long way, American's biggest single distinguishing characteristic and, I would say, competitive advantage is its ability to create what I call the ecosystem in which creativity flourishes. There's no question that is it.

So the answer to your question would be -- if I could draw another corporate example -- Jack Wells famously used to say about companies, "Companies must make their inherent characteristic an asset, because you can't change that."

So if you're the biggest company, big has got to be an asset. So putting that to the nation state, America's never going to be the biggest. So America must be the nimblest, the quickest, the most creative, most open.

One of the ironies about our system I think at the moment is, you heard me say earlier China is systematically open. It doesn't mean, by the way, that when they get their final answer it will be the answer you and I would give, but in their orientation. It may be a little bit harsh, but not too harsh, to say our system, as opposed to our individual leaders, teaching, et cetera -- our system is in some way systematically closed. That is to say, try having a conversation in this country with literally a clean sheet of paper on a topic that's been discussed ad nauseam. It's very tough to do.

So it's clear that's what has to happen. How you get there I don't know. I have done a fair amount of work with labor leaders in this country. This is an important point. One of the things I have tried to do with leaders here is, I have tried to bring into the classroom in China what I loosely refer to as the leaders of the leaders. So in any given field, when I referenced earlier the president of the university, that president I regarded as one of the leading presidents of the leading institution.

My theory is very simple. If I can affect the way he thinks, it will affect the way he runs his university. Because he is who he is, others will copy him.

So I have done the same thing with labor leaders, politicians, you name it.

I brought a couple of labor leaders to China, and in doing that, I also got myself more educated about what the different labor unions are doing in this country, and I'll give you an example. The labor union for the hotel restaurant workers has a very interesting training center in Las Vegas, Nevada. And the head of the union asked me to go to Las Vegas and observe it. And in its own terms, it's very impressive. But I said to them afterwards, "John, what's so upsetting about this is, if the corporations for whom your union members work were really buying into this the way they should, what you have done here, it should be ten times the scale and the complexity regime that exists now. So I applaud what you have done, but trust me, the world is moving at such a rate, it's not good enough."

And unfortunately, in this particular case -- because it has to be funded by the companies -- these companies think they're doing a good thing. I don't even know if they think they're doing, as it were, the commercially sensible thing, or whether think they're doing something that's kind of a progressive thing they're doing, or whether they're doing the right thing.

And I see this throughout our system. Even when I'm talking -- when I was referring earlier to Washington, to the earlier question, what I find in Washington on the topic I know most about, China, even these well-intentioned, highly intelligent, highly sophisticated people whom I know well personally -- they're existing within tram lines. They do not want to think outside those tram lines. It's kind of ironic, but it's true. And so as a result, they're kind of trapped. And they won't think in ways that will just redefine the conversation.

And by the way, just on that -- because this is another important point; this would help -- I on several different occasions have been asked to go to the White House to be involved in a briefing of the President in relation to China. And the first time this happened, it was a three-hour meeting. And after the meeting I was asked to stay behind and meet with his chief of staff at the time and head of NASA security. And so I said, "Here's the way to think about this. If we were having this conversation 100 years from now, and we were looking backwards, here's what we're going to say as of this moment. "What was that guy Obama doing screwing around in Iraq and Afghanistan when China was rising? Where was he when that was happening?"

That's what they're going to say. Now, he has a chance to fix that. He's only two years into his term. But he has to, in my opinion, take this much, much more seriously than he currently is. And I realize in politics that the urgent pushes out the important. But this issue is much too important for that. And we simply have not got the ways of operating and the ways of thinking commensurate to the scale of the challenge. And I hoped what would happen -- and I don't think it has happened, although I think he's capable of it -- I hope that Obama will be a president who would effectively be the educator-in-chief. He would say to the country, "Here's where we are as of this moment. Here's what's likely to happen in the 21st century. Here are the implications for the United States, here's what we're going to do to put ourselves in the strongest possible position."

That really hasn't happened, or when it has happened, it's happened episodically, so no one in this country -- not no one, but the narrative is not strong enough. Everyone needs to know what's going on and that's really hurting us.

MR. DORRANCE: Chris Dorrance from Spartanburg, South Carolina. And I actually wanted to make an observation, because we're a small city in the upstate and I have nine full-pay international students who come for two or three years, and five of them are Chinese students. I see a whole group every year. They have decided that if they want to go to the best American schools, they need to come to America and get acculturized. And they have been wonderful also in terms of being involved in the full life of the school. They're incredibly hardworking but they're in plays, they're doing lots of things that sometimes I think defy the stereotype that we have for some Asian kids.

And of course, the irony is this year our school will probably win the Clemson Calculus Challenge, and no one

will call me and accuse me of recruiting. But we started Chinese in our lower school. The language in the lower school is Chinese from age four through fourth grade, and then we're building up. And there was a big hue and cry because we took it from Spanish, and the convenience of that. So I find that all very interesting.

My question to you is, as I look at how we teach foreign language, where there's a sort of assumption that we're teaching it so that kids are actually going to be fluent or conversational, and I think that's seldom the case unless you were going to teach a lot of what we do, like your 62 percent of English classes. I'm wondering whether part of our discussion has to also be how we teach foreign language and when we do it differently. I wonder, for instance, that it's too much about grammar and writing and things, and maybe we ought to be doing Rosetta Stone in the middle school and get kids to be conversational. But what I'm interested in is, because English is the lingua franca now, what do you see in terms of being bilingual or what ought we to be doing?

MR. THORNTON: I'm also kind of Exhibit A for what I regard as a failure of the system. I remember when I was at Harvard College, for two years I was one of two students on a core curriculum committee for the first time looking at the core in something like 90 years or something ridiculous. And that group which had on it five professors, all highly distinguished, it was appointed by the dean, and so forth -- anyway, two years of work. In our wisdom, after the two years, one of our most forceful recommendations was eliminate the foreign language requirement completely, because at that time -- I don't know what it is now -- but at that time, to satisfy the foreign language requirement at Harvard you had to either have a 570 on the SAT, or one year.

So the first place to start I think is to acknowledge this is a difficult thing in the United States. We are part of the world. And it just is unacceptable for the leading country to have its citizens have so little knowledge about the rest of the world. And you get that knowledge in a variety of different ways.

The way I look at this, at Hotchkiss we have about 100 students out of, round numbers, 600 studying Chinese. And it goes up to level 6. And it started not very long ago, let's say, eight years ago maybe. And it started initially as what you might call a straightforward language program. What the teachers have done, with the encouragement of the administrators -- but it could even be I think more ambitious. What the teachers have done is, with their own energy they have started things that supplement the classroom activity which ranged from taking students to China through to taking them to the local Chinese restaurant for dinner through to, you know, various activities which supplement just conversational Chinese. So they have taken it upon themselves to view it as kind of a Chinese culture course in which the language is kind of the core, but not the only thing.

And that makes great sense to me, and particularly the Chinese. And I'm not an expert on this, by the way, but particularly Chinese, where everyone who is national will tell you that the reading and the writing, in fact -- because you know, there are many Chinese nationals themselves whose parents will send them here to make sure they learn their Chinese, because they're not demanding that they really get down all the 5,000 characters and understand how to read and write perfectly.

So I don't have a better answer than that. I just think it's so obvious to me, and frankly, if it were me, I'd infuse it into other topics. So for example, I was having a conversation earlier about this interesting article I read a few years ago in Harper's written by a woman who was herself a writer, and she had two children, and the article essentially said this. "You know, I have two children who've just gone through the schools," wherever she lived, "and I was so disappointed in the English they were learning in high school that I decided to write a letter to the 100 leading schools in the country to ask them, what is their syllabus for their English 9th through 12th? First of all, they didn't want to send it to me, most of them, but eventually they did, so I got them all, and I was disappointed in two respects. I was disappointed in the sameness and I was disappointed at the kind of middle-ground nature of the reading."

I say this because I have often wondered to myself, when someone is teaching a literature course or for that matter a history course or any course you want to pick, why are we saying, rather than reading, which we all have done 1,000 times, *The Catcher in the Rye* and *A Separate Peace* and you name it, which I'm not against,

but why not actually put in there the equivalent from -- pick your country -- and get people to get their minds about around the fact that these issues of what it means to be human exist all over the world, and we don't have to learn it only through things that are very, very familiar. I'm not against the familiar, but I don't want exclusively familiar.

And you could see the same things in another example, geography, almost not taught at all in this country anymore. And I don't know why in math courses we can't just fill it with geography and with math at the same time. And on and on it goes. Or in science.

In science, for example, I see no reason -- I was reading something just two days ago in the paper. Particular members of the faculty at Yale have done a brilliant job with certain Chinese universities in science research. I don't see any reason why you couldn't be doing exactly the same model at the school level for those people, for those kids who really have a passion for science.

And one of the difficulties in our system, as I see it, is that too many schools allow their own habits to get in the way of the passions of the kids, rather than just letting them play and run.

MS. CHANDLER: Carolyn Chandler. I was surprised to hear you say that issues are more difficult to manage in China than here, because you know, one would think that an authoritarian regime would have the edge over democratic structures.

MR. THORNTON: That's a good question. I should be more nuanced. Let me put it this way. Let me tell you two different things. I think this was April of a year ago. Yeah, I think April 2010, when there was a lot of discussion in the financial press about the Chinese currency, and whether or not Tim Geithner was going to cite the Chinese for currency manipulation. And I was asked by the Treasury, by the White House, the next time I was in China, when I'm talking to the senior officials, could I impress on them the fact that the Congress was really rabidly anti-Chinese and the politics of that affected the administration's room to maneuver. So sure enough, when I was in China the next time, over a ten-day stretch, I was in Shanghai and Beijing, over the ten days I saw various people, and the way the Chinese system works, they talk to each other. So by the time you get to the end, they are very well briefed.

So the last day was a Sunday and I got a phone call from a friend of mine who said, "The vice premier would like you to come over right now to see him in the central leadership compound."

So of course I went right over there, and sat down and we had an hour conversation and he had a very specific message. But more importantly, one of the things he said in that meeting, which is absolutely right, is he said, "You know, one of the problems with the American leaders is they believe that Chinese leaders can do whatever they want. It's absolutely not true. The Chinese leaders have to be responsive to the Chinese people. Now, we do it in a different way than you do it. But nevertheless, it is a governor on our behavior."

So by way of example, to stay with this example, there's no chance under any circumstance that the Chinese would allow themselves to be seen as reacting to overt explicit American pressure on changing their currency, because the Chinese people would see that as essentially caving in to bully behavior. That's just not going to happen. So it may be necessary on your end to make the public pronouncement. You have to make that judgment yourself. But I'm just telling you there's no chance during that climate that things will change, which I think is an accurate reflection.

On the broader question, what I'd say is, it's true that they are much better long-term planners. If you listen to the equivalent of the state of the union in China, which is called the work report, it's a work report, as in this is what we did, this is what we're going to do, and by the way, they do it. And also one of the very important points -- this is very possibly a big source of strength in the Chinese system -- because it is age-based, and because in the first instance it's a brutal meritocracy based on examination -- that is to say, you don't get into

Tsinghua because your father went there or because you're a good football player. You get there because you did well on the exam, period, end of story. So that's the first cutoff.

The second cutoff, the same thing for getting to the government.

So let's take the fifth generation, which I referenced earlier. I actually should have made this point earlier. The fifth generation is coming to power in two years. This generation was the generation of the Cultural Revolution. That's to say, they were essentially age 15 to 25 during the Cultural Revolution. So if you take the person who's most likely to be the next Chinese president as an example, he was at age 15 or whatever it was sent down to this very, very dirt-poor area and he was there for ten years. So for ten years he lived a life of the really, really, dirt-poor rural farmer. At age 25 he came back to Beijing. He was part of the 2 percent that passed the examinations. The examination has been given for the first time in ten years. So ten years' worth of people took the exams, part of the 2 percent that passed came to Tsinghua University, did well enough on the exams to go to the government, and then ever since then he's had what I would call real jobs, running -- you know, there are provinces in China that are bigger than most European countries, and there are cities bigger than most small countries. So you have real jobs over the last 30 years. And now he's most likely to become the president, and you can see several things just make complete sense.

Number one, imagine the character of the individual who lived that life, what kind of strength of character to still be standing at the top of the system and so on and so forth.

The second thing is, they're never going back to that chaos. They lived that chaos. There's no chance. So stability of their system will be priority 1 through 10. And 11 will be whatever it is.

The third thing is, because they lived like that dirt-poor farmer, they really care about getting those people out of that existence. That drives their thinking. And also, they're pragmatic. So the generation coming to power characterizes very strong characters, very experienced, very pragmatic, strong points of view, very happy to engage one-on-one in a serious conversation, not at all like the kind of caricature Communist Party apparatchik who's a bureaucrat, opaque, won't talk to you, et cetera.

So the sheer number of issues and the sheer scale is so enormous, and on top of that, the penchant of the system to send everything up, in the Communist Party system it takes a very brave soul in the middle of the system to make a courageous decision. There's too much asymmetric risk for you personally. So as a result, what happens is, both important things and not-so-important things get sent up, and they get decided at the very, very top.

I remember when I first was teaching in the first month, I was asked to chair the first-ever meeting of the Chinese Venture Capital Association. So I said, "Why not?" It was on a Sunday, sort of in a room like this, maybe twice as many people. I was the only non-Chinese person, sitting in the front, I was the chairman of this thing, almost an out-of-body experience.

But in any event, in the first row was this guy I could see through the entire session, looking at me like we were old friends. So at the end of it, he comes up to me and he says, "You know, you remember I used to work for you ten years ago in this place, that place?"

So I sort of remembered him. And he offered me a ride across Beijing, and on Sunday night it was very crowded, so it took us about an hour and a half to get across Beijing. I'm sitting in the car, expecting small talk about really nothing, and I'm asking him about his job, how is his job, how's it going.

And he was working for a Chinese government entity. And he said, "Well, I'm glad you asked that question. I'm thinking about switching. And I'd like to switch into" -- and he named the exact thing he wanted to switch into.

Well, I happen to know that his boss, whom I know very well, knows that other entity very well, and his boss is a very important guy. You know, top, I don't know, say 30 in the government. So I say to him, "Well, surely So-and-so can just make that happen."

He said, "No, no, no, doesn't work like that."

So I said, "What do you mean?"

I could see as I'm sort of asking him direct questions, he was getting uneasy. So I said, "Well, have you asked for So-and-so's advice?"

He said, "Yes, I have, and So-and-so told me I should go talk to the premier."

I'm thinking to myself, you know, you're a good guy and you're an important guy and all that, but surely the premier of China can't be managing the careers of everybody down at this level. And what it told me, though, was that even this very senior person, of whom this was a mentee, was reluctant to be very directive in the absence of some signal that what he was going to say was okay. So that's part of the answer to your question.

MR. McKay: Harry McKay. I'm curious about your take on the reaction in this country to Amy Chua's book on parenting.

MR. THORNTON: I haven't paid all that much attention to her. Obviously, you'd have to be underneath a rock not to know about it. I guess I felt, not having read the book, and not having read the reviews of the book or anything else, this is complete ignorance, but just what I'm hearing, it sounded to me like a caricature on both ends. It's true that Chinese parents, particularly since most of them only have one child, are highly directive and everything is the best for that child and et cetera, et cetera. But it is also true that the culture is so deep, this examination of culture, respect for education, is so deep that it doesn't take an awful lot to get Chinese kids behaving in ways that Westerners would consider to be -- in fact, even in my class, if you're not near the very top of your class, you will never be an officer of your class. So that is to say, it's just built into their thinking that the smartest people should be the ones in charge.

In our own situation, with our own 13-year-old son, who's a musician and when we lived in Princeton, we used to take him to the Westminster Conservatory to play, and I'd bring him every so often and I'd go there, and I promise you, if there weren't 99 out of 100 who were Asian, you know, 93 were. But some very high number.

So I look at all that and I have to say, there needs to be clear learning -- Margaret was saying this earlier in a nicer way. Sheer hard work is what most -- the habits of hard work, in my opinion, need to be learned by students as early as they possibly can, and even at the expense of putting them in situations where it feels to the adult a little uncomfortable. I know that's not a very popular view, so I'm kind of straddling this world between that caricature of the Chinese world and caricature of the western world.

I remember distinctly Obama once saying -- and I still agree with this, because I see it myself, if you brought your kids to soccer games. The parents form these tunnels for these seven-year-olds to go running through the tunnel like they're in the Super Bowl, right? To me this is excessive. I remember Obama saying one time, and it was not very well-received, words to the effect that we're making too much of graduation from eighth grade.

And I think that's right. I think that we've gotten excessive in the way that we think of everyone having to be a winner, even if he or she is actually not performing. We're doing them no favors because sooner or later it's going to rebound on us.

MR. GALBRAITH: Slightly in jest, but not really, I have done some consulting for Asian musicians. They

don't want their kids to play the viola or the bassoon. It has to be the violin or the cello, maybe, and piano. But I think there will be a role for the rest of us to play those other instruments, and I mean it. This is what our role may be, to do those other things in the world that are not their number one priority. And that's truly generational. Violists that I found, I said, "Would you have children?"

"Maybe."

"Would you let them play the viola?"

"Never."

MR. THORNTON: It's very tough. We have four children. I've always found that raising kids is such a mystery and difficulty, knowing exactly how to motivate, push, bribe, whatever, your children is very tough. I find it very tough to generalize, but I do feel that, in general, society has undervalued sheer hard work and sheer rigor at the expense of other things.

MS. WILLIAMS: Related to that, one of the questions I had was your AP numbers, talking about this 350 kids, it's interesting, we're adding Chinese after several years' discussion on it, in the context of probably ending another language in terms of what we can handle. And there's a lot of discussion at the board meeting when I was presenting it that this was -- we're going to get big silence, and I said, You know, I'm not sure that we are. With Chinese, there's huge push to have it, it has a lot of curb appeal, but a big part of what we have to do is educate our parents, because there's a fear that Chinese will be hard to be successful and, therefore, they're not going to get an A, therefore, my child is not going to take it. I want my school to have it.

But in your role, as a board chair, how do you work with your head to be the educator-in-chief in essence to your families on these bigger issues?

MR. THORNTON: I have the good fortune to have a head who is South African by nationality who was the head of a school in Botswana, head of school in Wales, and now is head of Hotchkiss. So there's nothing I have to do to encourage him to think that these ideas are good ideas. But he does -- I don't say he struggles, but he does have to be educator-in-chief for a whole raft of alumni and parents. Now, parents are easier because in a sense they're choosing the school, in our particular case, boarding school, the ninth, tenth, eleventh grade, so they can decide to vote with their feet if they don't like what we're doing. The alumni are in some ways more difficult because they see it as a departure. I see it actually as an absolute extension of what we've always done. In our particular case, Hotchkiss was literally started by the president of Yale and Mrs. Hotchkiss for the purpose of educating young boys for Yale at a time when Yale saw itself and still does see itself as sending its students out into the world to be leading citizens in whatever he or she chooses to do. So that kind of ethos I see as entirely consistent.

One other point I could say about any institution, but schools in particular, it's very, very important to distinguish between the values of the school and the traditions of the school. Values, in my mind, are things that are enduring and theoretically should be there for all time. Traditions are things that come and go. Some are bad and some are good. And some are good and some are bad at various points in time.

And I think what happens is, people conflate these things and they sort of say, "Well, the school is not the same as when I was there. Someone hasn't made it sharp enough."

It actually is exactly as you were there. In fact, even better, because we're sharper on what's most important.

MR. GALBRAITH: The signal from the NAPSOG premier was one more question.

MS SPEERS: Hi, I'm Bessie Speers from the Walker School in Connecticut. It's terrific to hear you talking

about the need for empathy, the need for all of us to be helping our students understand their place and context in the world, really, and I think all of us can take pride in independent schools, that that really is part of our missions. And I think all of us in this room also care about the contributions and talent of young women and girls. And I just was thrilled to hear you talking about your tutorials with Madame Chen, and I just wonder, from your vantage point, what are the sight lines in terms of the role that women and girls can play in some of the solutions?

MR. THORNTON: I should tell you my sister went to Ethel Walker. First of all, going back to where I started, because the system is fundamentally examination-based, in that sense, it's highly meritocratic. It's not purely meritocratic for a lot of different reasons. So for example, if you live in Beijing and you go Middle School Number 4 -- which, by the way, you have to test in order to get in, but if you did, you're more likely to prepare for the examination than if you went to a rural farm school in Anhui Province. So in that sense, it's not completely flat.

But if you work hard enough, you take the same exam anybody else does, and you get your score, and that's that. So at Tsinghua, where I'm teaching, which, again, is essentially math and science school, although it's changing, about 25 percent of the students I teach are women. And my observation would be, society generally, without trying to sound too esoteric, I think the society generally is coming to grips with what does it mean to be Chinese? What does it mean to be Chinese in the 21st century? What does it mean to be a Chinese woman in this 21st century? And none of those things right now are that clear.

So in general, there's so much opportunity for the talent. One of the problems I have with my students is I call them butterflies, because each one of them is doing four or five or six different things and they're kind of like this all the time. And I keep saying to them, you've got to stop, you've got to focus on something. But they could be forgiven because there is so much opportunity. You can see why they chase these rainbows.

Now, when I say what does it mean to be Chinese, related to that, when I was talking earlier about the senior official who said to me the world cannot afford to support 1.3 billion incremental people living the way you live, and what's the new model, well, again, if you go down that road and you say, well, it would be a brave politician to tell these people that they couldn't have the same material life inside China as you had elsewhere. So part of his message is -- he said it that night -- by the way, both of us have to change. You have to change. That's your problem. But we have to change.

So where he was headed with this, when I looked into it in more depth, was, what does it mean to be a fulfilled person? And that gets into all kinds of questions. Is a fulfilled person either primarily or in large measure or in some meaningful measure assessing that against material items or against spiritual items or against what? And that's an issue.

So if you ask Chinese students, as I have done, about what you might call deeper issues, who is it you want to be, and why, and how you think about getting there, what you'll find is that their thinking on these questions is less developed, they have rarely been asked, and they have struggled with them. They like them, but struggle with them.

So on the question of women, you could say that the good news, if you want to look at it that way, is that society in some ways is, because the measurements of success or advancement are more "objective," in some ways it's a more welcoming society for women.

On the other hand, I find when I get into talking to people on a deeper level -- this goes for both men and women, maybe slightly more for women than men -- and this is something I can't really get my hands around -- if you look at Chinese history, you see a very clear pattern, periods of peace and calm followed by great violence, peace and calm, great violence. It goes like that for 5,000 years, including the last 50 years.

The Chinese people, I find, to my way of thinking, from time to time react highly emotionally to things which to me feel disproportionate. And I find that on an individual level, if you talk to a Chinese student long enough and you go deep enough, sooner or later you're going to touch a nerve and it's going to be like a volcano coming out, and you're going to say to yourself, "Wow, where did that come from?"

So I look at all that. I honestly don't know what to make of it. So I don't know what to think. It's an issue that they're going to struggle with. How do they define -- how does the leadership define what 21<sup>st</sup>-century China is, what it should be, and what Chinese culture is. And you know, the current president, for example, has a rubric, which you may have heard; he refers to the so-called harmonious society. And when this first came out -- and the Chinese are good at these kind of acronyms that are not quite clear what they mean, and when it first came out, it was a bit mocked. There's no doubt in my mind that he chose those words specifically to have Confucian overtones about harmony being essential to one's life. But he also chose it for political reasons, to say to the wealthy young Chinese who's maybe being too visible, "If you're doing very well in society, your first priority should be to the harmony of the overall society. And therefore, you shouldn't be ostentatious with your wealth."

At the other end of the spectrum, if you're the dirt-poor farmer for whom life is very tough, your first priority is to contribute to harmony. So you shouldn't be causing trouble. We're going to get you. And I think that's what he's basically saying.

So when I go back to managing society, you remember China is a society that has it in first, second, third, fourth world all within one country. So imagine having to manage that complexity in the age of the cell phone. There are 450 million cell phones in China. Everyone has a cell phone, so they can get on their cell phones right there in Anhui Province and see what's going on in Shanghai and realize, gee, life looks a lot better in Shanghai than it does here on the farm. So it's a very difficult management task, which is why I start with a proposition of humility and say to myself, let me try to understand exactly the way the people in charge are seeing things, what they're trying to do, and how they're going about it before I start judging.

MR. BECKER: John, thank you very much. I think you can tell from the questions that you have everybody thinking about this important topic. So thank you.